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LOCAL GOVERNANCE SUPPORT PROGRAM EVALUATION REPORT

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This publication was produced for review by the United States Agency for International Development. It was prepared by Harry Blair, Luky Djani, Alan Edmond, David Hirschmann, Bob Sanders, and Budi Setiyono, Management Systems International.

LOCAL GOVERNANCE SUPPORT PROGRAM

EVALUATION REPORT

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Indonesia Evaluation of LG Support Program

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CONTENTS

ACKNOWLEDGMENTS AND THANKS.....	iii
ACRONYMS AND GLOSSARY	iv
EXECUTIVE SUMMARY	vi
I. INTRODUCTION	1
II. PROJECT BACKGROUND AND CONTEXT	2
III. EVALUATION METHODOLOGY AND DATA LIMITATIONS	6
A. Approach	6
B. Data Availability and Limitations	7
IV. EVIDENCE/FINDINGS	12
A. Program Outputs: Training and TA	12
B. Program Outcomes: Democratic Governance Processes	15
C. Higher Level Impact: Changes in Laws, Policies, Budgets, Plans, and Services	33
D. Differences between LGSP Jurisdictions and between LGSP and Non- LGSP Jurisdictions	37
V. CONCLUSIONS	40
A. The training and TA were well received by participants in the three pillars	40
B. LGSP's Comprehensive Approach has disadvantages but the advantages outweigh the risks	41
C. LGSP has led to changes in democratic governance processes but it is less easy to determine the extent to which changed processes affected decisions	43
D. There is not much evidence of an effect on the delivery of services	44
E. A concern about LGSP's narrowly focused efforts on civil society	45
F. Effects at the National Level	45
G. Effects on Sustainability	46
H. There was not adequate consistency in the measurement of outcomes and impacts and there were too few attempts to measure the quality of changes over time	46
VI. RECOMMENDATIONS	47
A. USAID: Recommendations for a Future Project	47
B. LGSP: Recommendations for Adapting/Refining the Present Program	53
 ANNEXES	
Appendix A. Evaluation Plan and Team Composition	56
Appendix B. Documents Reviewed	74
Appendix C. Ministry of Home Affairs's Mandate to Supervise Local Governance	76

Appendix D: Results Framework.....	78
Appendix E. LGSP Partner Local Governments and USAID Partner Projects	79
Appendix F. LGSP Good Governance Index.....	81
Appendix G: Evaluation Scope of Work	82

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ACRONYMS AND GLOSSARY

Acronym	Indonesian	English
ADB	Bank Pembangunan	Asia Asian Development Bank
AJI	Asosiasi Jurnalis Independen	Independent Association of Journalists
Apeksi	Asosiasi Pemerintah Kota Seluruh	Association of the Indonesian Municipalities
APBD	Anggaran Pendapatan dan Belanja Daerah	Local Government Budget
BP		British Petroleum
Bappeda	Badan Perencanaan Pembangunan Daerah	Local Government Agency for Regional Planning and Development
Bappenas	Badan Perencanaan Pembangunan Nasional	National Planning Agency
BRR	Badan Rehabilitasi dan Rekonstruksi	Rehabilitation and Reconstruction Agency
	Bupati/wali kota	Mayor
CADI		Computer Assisted Development Incorporated
CBO	Organisasi berbasis komunitas	Community-based organization
CIDA		Canadian International Development Agency
CSO	Organisasi Masyarakat Sipil	Civil Society Organization
DBE1		Decentralized Basic Education
DCHA		USAID Bureau of Democracy, conflict and Humanitarian Assistance
DPRD	Dewan Perwakilan Rakyat Daerah	Regional and local government legislatures/parliaments
DRSP		Democratic Reform Support Project
DSF		Decentralization Support Facility
DTSP		District Team Problem Solving
F & B	Keuangan dan Anggaran	Finance and Budget
FITRA		Indonesian Forum for Transparency in Budget
FTFI		Financial Trends and Fiscal Indicators
GoI		Government of Indonesia
GOP		Governance Opinion Polling
GTZ	Kerjasama Teknik Indonesia – Jerman	German Technical Operation
HR	Human resources	
HSP		Health Services Project (USAID)
ICMA		International City/county Management Association
ILGR	Prakarsa Pembaruan Tata Perintahan Daerah	Initiatives for Local Governance Reform
IMLPC		Indonesian Media Law and Policy Center
IPW		Indonesia Procurement Watch
IR		Intermediate Results
KIP	Komite Independen Pemilu	Aceh's Independent Election Commission

LED	Pengembangan Ekonomi Daerah	Local Economic Development
LG	Pemerintah Daerah	Local Government
LGAT		Local Governance Assessment Tool
LGMS		Local Government Management Systems
LGSP		Local Government Support Project
MTEF		Medium Term Expenditure Framework
MoF	Kementrian Keuangan	Ministry of Finance
MoHA	Kementerian Dalam Negeri	Ministry of Home Affairs
MSI		Management Systems International
Musrenbang	Musyawaharah Rencana Pembangunan	Multi-Stakeholder Consultation Forum for Development Planning
NGO	Lembaga Swadaya Masyarakat	Non-Governmental Organization
PERDA	Peraturan Daerah	Local Government Regulation
PERFORM		Performance-Oriented Regional Management
PerMenDagri 13	Peraturan Menteri Dalam 13	Ministry of Home Affairs Guideline 13 Negeri for Local Financial Management
PMP		Performance Monitoring Plan
PMS		Performance Measurement Specialist
PP	Peraturan Pemerintah	Government Regulation
Renja SKPD	Rencana Kerja SKPD	Annual Work Program of SKPD/SKPD Renstra
Renstra	Rencana Strategis/Daerah	Strategic Medium Term Regional Development Plan
RKA SKPD	Rencana Kerja Anggaran SKPD	Work Budget Plan for Local Government Unit
RKP/D	Rencana Kerja Pemerintah/Daerah	Annual Local Government Work Plan and Budget
RPJP/D	Rencana Pembangunan Jangka Panjang/Daerah	Long Term Regional Development Plan
RPJM/D	Rencana Pembangunan Jangka Menengah/Daerah	Medium Term Regional Development Plan
SEB No. 50/2005	SE Petunjuk Penyelenggaraan Musrenbang Surat Edaran Bersama	Decree of State Minister of Bappenas and Minister of Home Affairs on Technical Guidelines for Conducting Musrenbang
SIAP		Service Improvement Action Plan
SKPD	Satuan Kerja Perangkat Daerah	Local Government Work Unit
SO		Strategic Objective
SOW		Statement of Work
SPADA		Support for Poor and Disadvantaged Areas in Aceh and Nias (World Bank)
TA		Technical Assistance
UNDP		United Nations Development Programme
USAID		United States Agency for International Development
USG		US Government

EXECUTIVE SUMMARY

Project Background and Evaluation Purpose

From 1966 to 1998, Indonesia was governed by a highly centralized system under which local and regional authorities implemented central government dictates. After the fall of Soeharto in 1998, the country embarked upon a democratic transition, including a decentralization program. Local governments (LGs) and authorities assumed considerably more responsibility in core governance functions, but incompleteness of the legal/regulatory framework, limited capacity, and a lack of resources have hampered progress.

In March 2005, USAID/Indonesia launched the 4.5-year Local Governance Support Program (LGSP), a \$61.87 million technical assistance and training initiative designed to increase local governments' accountability, capacity to support service delivery, planning and management of resources, and participatory practices. The program will end in September 2009.

In June 2008, USAID/Indonesia commissioned MSI to carry out a project evaluation, performed by a team of four American and two Indonesian specialists. Over 3.5 weeks in Indonesia, the team gathered qualitative data from over 200 interviewees, reviewed quantitative data from citizen surveys and other sources, and made site visits to eight LGSP districts and two control (non-LGSP) districts in four provinces (Aceh, East Java, South Sulawesi, and West Papua). The team tried to assess progress in terms of improved governance processes and to determine whether improved processes had led to higher level impacts, such as policy changes, differences in budget allocations, and improvements in service delivery. The team focused in part on collecting data that would credibly capture performance against LGSP's four Immediate Results (IRs): (1) improve local government performance and capacity to plan and manage resources and public services transparently; (2) strengthen the legislative function and process at the local level; (3) create a more effective civil society and media participation in local governance; and (4) create a more conducive enabling environment to sustain and improve effective decentralization.

Data Limitations

There was little consistent data to measure change over time, making comparison a challenge. Strategic Objective indicators were dropped early on, due to concerns about the project's ability to affect citizen perception, and were never replaced. LGSP developed a number of instruments to measure progress, but these were often either dropped or changed over time. Indicators, which were often qualitative in nature and thus appropriate for measuring changed governance processes, were useful but were not always easy to interpret due to sometimes inadequate definitions. In addition, the pool of assisted districts changed over time (gaining some locales, losing others). This had the effect of limiting progress when relying on cumulative or aggregate figures as districts that entered the assisted group later might drag down the performance of those that entered in Batch 1 (the first group of assisted districts). LGSP focused measurement on governance processes themselves (such as budgeting and planning) as these were the foci of the project. Staff did not try to capture impact beyond that level, raising challenges for the evaluation team, which was asked to assess higher level impact; there was little appropriate data available with which to do this. Also, some government documents which might have been helpful could not be reviewed by the team, or upon review were found not to be relevant or helpful to the evaluation.

Key Findings

By the end of June 2008, LGSP reported more than 68,000 individuals from its three "pillars" of local officials, DPRD's (local elected legislatures), and civil society had participated in LGSP

training workshops, most of which focused on topics such as planning, budgeting, legal drafting, financial management, etc. Most participants interviewed by the evaluation team valued LGSP training, and said it increased their confidence, ownership of and comfort in participating in their local governments. Positive responses were most apparent when LGSP provided either trainings or technical assistance after the initial training (this was true mainly of Aceh and East Java). However, because of the broad range of topics and the large physical area covered, participants in other regions sometimes suggested that there was too *little* follow up, that LGSP sometimes applied a one-size-fits-all training approach out of touch with trainees' backgrounds and/or local priorities, or that training schedules were too rigid and proved inconvenient given other priorities.

Where numbers were available for comparison, evidence suggested significant increases in LG capacity for effective and participatory planning and budgeting. "Actuals" from 2007 show increases of between two and four times 2005 baseline figures, in nearly double the number of assisted LGs. In 2007, 68% of LGs had adopted the government accounting standard and basic accounting, up from a 2005 baseline of 18%; 46% of LGs had developed a Public Involvement and Information Plan, up from a baseline of 15%; 59% of LGs had developed a budget calendar and budget instruction, up from a baseline of 17%; 53% of LGs had developed strategic plans at the institution level with enhanced participatory processes, up from a baseline of 25%. Only one area of endeavor, related to the use of asset management techniques, showed no real improvement. Regarding LG transparency and responsiveness in public service management, 30 LGs had implemented Service Improvement Action Plans (SIAPs) – small-scale activities undertaken by LGs with other local stakeholders, which provided an arena for LGs to practice new skills related to service improvement. Originally, there were 116 SIAPs (some target districts have plural SIAPs). In 2006, LGSP reported 19 SIAPs were active, 25 were in a start-up phase, 40 were completed, and 32 had been dropped. Since that time, an additional 21 SIAPs have been eliminated for technical or budgetary reasons. The remaining 63 SIAPs (completed and underway) have varied in their scope from small business development to health insurance schemes for the poor.

Evidence demonstrated that DPRDs doubled the number of public hearings and forums over a two to three year period. It was difficult to determine the content or quality of these meetings, the influence they had on final government decisions, or how DPRDs demonstrated oversight. Results also indicated little progress in DPRDs formulating policies to make LGs more transparent or participatory. In some areas however, DPRDs did remark on improved relationships with civil servants and greater acceptance from the executive.

Much LGSP training was devoted to familiarizing CSOs and DPRDs with ways to better identify and represent citizen priorities in the Musrenbang (multi-stakeholder forums) and other mechanisms for local government engagement. Though the team was largely unable to uncover instances of Musrenbang priorities ultimately taking precedence over executive-proposed projects, those interviewed reported having used their training in various Musrenbang sessions and increased public participation in the process. The team found that more information about local governance now reaches the public through the media, which provides stronger coverage of LGs. For example, in Probolinggo, reporters uncovered an extortion scheme in the office issuing drivers' licenses. Relations between the media and civil servants/local governments also improved, but there was little information on the quality of media or of its overall influence on LG issues.

This more recent IR focuses on improving the environment for decentralization. LGSP has had an impact on LG-related guidelines even though it has not engaged at this level for very long. The project has recently organized multiple sessions between the GoI and has provided TA in the development of regulations or guidelines that have been put in place. Examples include central government guidelines for annual regional development plan preparation and for assessing and evaluating medium-term regional development plans.

Higher Level Impacts: While it is perhaps still early to expect higher levels of impact, the team found some target jurisdictions have begun to move to more equitable power sharing arrangements between the three “pillars.” In East Java, while equality between pillars is still very distant, political power is now shared among a wider circle of players, and in Aceh, the DPRD is beginning to make inroads into executive power. One of South Sulawesi’s units showed progress, too, while in the other, the executive proceeded as the dominant player. Finally, in the new West Papua sites visited, there was little power sharing for reasons discussed below.

The team found some evidence of budget and planning adjustments, though this aspect needs to be better tracked by LGSP. Some changes in local level legislation were made as a result of these improved governance processes, such as a law defining the organization and administration of the education function in Pinrang, and four similar DPRD initiated district-level regulations in Probolinggo. The Mojokerto DPRD also used its budgetary skills in a budget reallocation, moving funds from a youth program to the health sector. LGSP media training in investigative reporting also showed encouraging results. In Pare Pare, the print media investigated DPRD members illegally raising their accommodation allowances, and an official who was illicitly taking money in return for land allocations. Both reports led to legal and administrative follow-up.

In Aceh Jaya, an efficient citizen complaints center has been established, while three others are in process in other Aceh districts; regulations were drafted first to provide the legal foundation for these centers. Pinrang also has a complaints and LG outreach center, which reportedly resulted from a SIAP process (described above) and LGSP practices had aided in mayoral-citizen communication in deciding what purpose the center would serve. Also in Pinrang and in Pare Pare, LG appropriations to cover hospital costs for the uninsured poor were included in current budgets.

Principal Conclusions

A. The Training and TA were generally well received

LGSP carried out extensive training and TA. The majority of interviewees were positive about the training and what they learned in workshops. Commonly mentioned benefits included strengthening the capacity of LG executive officials and DPRD members in performance budgeting, the planning process, and in legal drafting; increasing participation in the Musrenbang meetings; introducing participatory training techniques and approach; training in understanding and interpreting the new decrees and regulations that originate in the central government. There were, however, specific criticisms, including: inappropriate timing of workshops, lack of local specificity and examples in the training materials, lack of local resource people, lack of follow-up for processes catalyzed under LGSP guidance, and uneven distribution of materials.

B. LGSP’s comprehensive approach is appropriate

Overall, we found that the advantages far outweighed the risks. LGSP has demonstrated that its threepillar approach to supporting democratic decentralization can have an impact on governance processes. These developments were not universal in the places we visited, but where they did occur, they benefited from attention being given to all three pillars. This has led to greater mutual understanding between the pillar institutions, and has often been facilitated via LGSP workshops attended by members of the different pillars. These members then began to develop a sense of cooperation and involvement in a common purpose. The collaboration thus induced has made it easier for these three quite different institutions with their different orientations, career paths, and constituencies to work together. The team saw the benefits, too, of including the media in this approach.

C. LGSP has led to changes in democratic governance processes

In terms of the focus on governing processes that came to be set for LGSP, the program appears to be making headway. LGSP did in many places change attitudes and processes in a positive manner. This has led to improved, more effective and more inclusive processes. In some of the localities visited, LGSP had a positive impact in strengthening DPRDs, and to a lesser extent CSOs, to the point where they were able to begin to check the traditional executive dominance of local governance. It was not always easy to determine the quality of those processes. And it was more difficult to determine the actual results of improved processes (more pro-poor budgets and the like) though there are examples (e.g., health budgets increasing in jurisdictions where LGSP and USAID's health program worked) because little tracking at that level is being undertaken by LGSP.

D. There is not currently much evidence of an effect on the delivery of services

The team observed few tangible effects on service delivery that could be attributed solely, primarily, or partially to LGSP, and which also make a direct and significant impact on the delivery of services to end users. We also found that the Project was not monitoring impact in terms of service delivery, and not tracking attribution carefully. Therefore, even where there may have been impacts, it was not in a position to provide convincing evidence or even success stories of change in services linked directly to LGSP.

E. LGSPs' focus on civil society seems relatively narrow

CSOs' capacities in the Musrenbang process and planning and budgeting work with the DPRDs and executive branch were emphasized more than CSO organization and development, service provision, sustainability, and advocacy. While some organizational and advocacy training was provided in 2006, such CSO capacities typically receive greater attention in other LGSP-type programs, USAID-funded or not. Some CSOs did urge that some policy initiatives be included in municipal regulations or that certain preferences be accommodated within the priorities set by the Musrenbang process, but this was primarily of their own initiative. This raised the question whether LGSP may have included civil society as a project component in too limited a scope.

F. Effects at the National Level

Whatever the reason, the key national ministries (and more so MoHA) did not appear satisfied with LGSP's contributions at the national level. The team nevertheless accepts the argument that until the decentralization policy framework becomes clear and has the full support of the key central ministries that all efforts at the local level will be constrained. The team also concluded that even if LGSP's contribution is not yet seen as core to MoHA's efforts and its budget is not considered large enough, the contribution made so far in advising or facilitating communication about national regulations and policies is making progress.

G. Sustainability

The team did not find evidence of the wholesale adoption of LGSP curricula at the local level, although local governments had participated financially in bringing in LGSP programs and use of the curricula has spread. LG respondents, however, did cite a few concrete examples of measures they had taken to continue with LGSP-like activities beyond LGSP's lifespan. The team also concluded that cooperation with and use of local service providers and the adoption by local networks of LGSP tools were promising steps toward the continuation of some aspects of LGSP work. The team felt it had insufficient evidence to assess likely sustainability, and had questions about whether the inputs and the early signs of improved governing processes would continue if LGSP ended. Overall, there does not yet appear to be the political commitment to persevere without donor support and resources.

H. Weak measurement of outcomes and impact

Possibly the team's primary conclusion is the design of the program failed to direct the project towards tracking tangible impacts of a higher level than the processes that were the focus of activities. There was a lack of attention to changes that results from improved processes, to measures that might capture improved services which would directly benefit the public. The project design focused mainly on inputs and outputs. Measurement at the process level was also inadequate in many respects and missed important qualitative dimensions of those processes.

Recommendations

A. Principal Recommendations for a Future Project

1. Continue with support to decentralization: Decentralization in Indonesia is far more than a program or even significant initiative. It is core to all government activities. The team believes USAID should continue to be active in this arena. The processes involved in decentralization in Indonesia appear to have reached an unsatisfactory stage of uncertainty. The GoI needs the help of donors. Further, USAID should continue to operate at both central and local levels. Central government actors including Bappenas, MoHA, and the Ministry of Finance are keys to the progress made, as also to many of the problems experienced, and to the continuing confusion.

2. A smaller, more focused project: The team believes that this project is too large (and too expensive for its yield) to be continued on this scale. The project has made progress under the terms set by USAID; yet it (and its predecessor projects) has not made the impact that would justify this level of investment again. Therefore, the team recommends the design of a substantially smaller project, emphasizing quality of program and results over quantity and outputs, at possibly half the investment, and concentrating on a far smaller number of jurisdictions. The project might then be able to provide more tailored training and TA that would address some of the complaints the team heard about inconsistent provision of training materials and boilerplate training courses not taking adequate account of the level of knowledge or needs of some participants.

3. A more selective project that abandons uncooperative jurisdictions: Generally, where political will was absent, LGSP headway was slowed. The team is not convinced that LGSP should continue in jurisdictions where there is lack of political will after a given interval of trial. The team suggests the principal criterion in the selection of partners should be a "track record" of the LG leadership (bureaucratic and political), the DPRD and the CSOs, in demonstrating political will to provide and expand democratic space and a serious concern with delivering public services. This should not be restricted to economically more successful jurisdictions; but it should seek to build upon political will. If and when these projects begin to prove the advantages of more participative and transparent processes and delivery of valued services, they should be used for their *demonstration effect*.

4. A democratic governance and service delivery project: Any new project should place more emphasis on what improved processes are producing in the way of better outcomes for citizens. Are better decisions being made with relation to plans and investments? Are resources allocated where there is more need and more of a return for citizens? Is corruption constrained? A community's experience of improved services is vital to its continued support for the democratic process that led to that improvement and this in turn increases chances of sustainability.

5. A results oriented project: USAID and the contractors should craft realistic, achievable outcome and impact level indicators that demonstrate the progress of processes and of service provision, as well as methods of recording and accurately tracing attribution and levels of attribution. Without realistic impact level indicators and targets, a project can lose focus. If the focus continues on processes, the project also

needs to pay more attention to the quality of those processes and to gaining a more detailed understanding of the interactions of the three pillars. The investment in instruments should be substantial at the outset of a project in an attempt to prevent the frequent changes in approaches that have occurred under LGSP. Fortunately, LGSP's tools are improving and there is learning here to draw on for a future PMP.

6. Retain/strengthen/refine national focus: Although lack of capacity at the local level was correctly identified as the key obstacle in the LGSP, the challenge of constructive and consistent codification of national laws and regulations remains key to the future of decentralization. USAID should maintain a supportive role at the national level in cooperation with other donors. The next program should ensure early and full engagement with the Ministry of Home Affairs in the design and management of the program. Being involved on the design of the program, MoHA may use its authority as the superintendent of local government to take necessary steps to foster the commitment and steadfastness of local governments.

7. Retain comprehensive “three pillar” approach: The three pillars of executive, legislature, and civil society, are all necessary to the growth and consolidation of participation and accountability. In all cases the executive appears to have most power: in some jurisdictions, DPRDs are very weak; in others, civil society is the weakest branch. Sometimes promoting an alliance between the DPRD and civil society might improve prospects for challenging the executive branch, for example through the exercise of oversight. We recommend, too, that the new initiative re-consider media training and support for investigative reporting.

8. Experiment with policy analysis training: LGSP's focus on public policy mechanics makes sense when one realizes that an underlying assumption of LGSP has been that planning and budgeting are the key instruments for improving effectiveness, accountability and participation in local governance. But these form only part of the policy cycle, and they do not constitute policy in and of themselves. For example: should education focus more on universal primary schooling or on post-primary vocational training? Issues like these never surfaced in the team's interviews.

9. A demand driven project: A new project should to some extent permit local demands determine and influence the choice, timing and level of training and technical assistance. The team understands that there are limitations on the variety of programs that can be provided by any one institution; but the new project should make an early effort to ensure they are consulted and their suggestions taken into account. Where the demands are not feasible, the reason should be made clear.

10. Strengthen local service providers/institutions/support centers/universities: The team recommends that the continued process of consulting, strengthening and using local institutions to do the training and advising and to become repositories for the materials produced (including sharing training modules, handbooks, and lessons of experience and best practices). This is one of a number of steps that may increase the chances of the project's purposes, methods, and benefits being sustained.

11. Training and TA: selected suggestions in finance and management: The team recommends that the LGSP successor program concentrate more effort on local governance accountability. That is, there could be a curriculum generally measured by the Local Government Assessment Tool as a sub set of Accountability, perhaps called “Organizational Effectiveness.” This would consist of some areas already under development, such as procurement procedures to minimize corruption. Secondly, to streamline the organization of LGs, minor civil service reform could be initiated through a curriculum and TA on job content analysis, staffing, deployment of personnel, and alternative methods for DPRD management of its bureaucracy.

While debt financing is not yet a practice (by law) at the LG level, an approach to organizational strengthening could be offered as a “creditworthiness” curriculum, consisting of, in part, training and TA

in project planning, cost accounting methods, and more intensive training in performance measurement for unit heads and managers.

12. Strengthened SIAPs: The SIAP idea has merit as an arena for practicing new skills related to service improvement. A new project could provide positive and negative incentives for participation in the Musrenbang process, such as small grants for identified community projects with heavy local participation, or for Small and Medium Enterprise initiatives which have high benefit to cost potential. Similarly, SIAPs could be enhanced by limited financial support. The current project cannot do this because it is not set up to provide grants under a contract.

13. Ideas for sustainability: As important as this topic is, there are few fresh ideas to be suggested. Primarily, lessons have to be learned from successes and likely successes, and applied and replicated. These include the following: strengthening of an in-house training unit, funded by an LG Special Fund, and using LGSP modules to deliver workshops; sharing LGSP's modules and training approaches with teachers from local universities; using and building local institutions as documentation, training, and course development centers; encouraging the retention of employees in positions for which they have been trained; increasing the proportion of training of trainers events (including post-training monitoring of how the training is used); putting all training materials on CDs and web pages for wider dissemination; wider or/and more strategic dissemination of hard copies encouraging the passing of legislation that formalizes innovations and gives them legal backing; continued work on the national policy and regulatory environment that has such a fundamental influence on success or failure of local government; and building the likelihood of or indications of, continuation of processes into performance measurement; and civil society strengthening.

B. Principal Recommendations for Adapting/Refining the Present Program

The following recommendations are made with realization of the project's progress and fulfillment of most of its requirements, and without the expectation of a turnaround in its final year. The team's recommendations, many of which are similar to those for the new project, are *adaptations* of present practices. They should be tried on a *selective* basis (i.e., working in a few jurisdictions only) and an *incremental* basis (i.e., building on – and from – where the program stands, not making leaps not supported by the preparation so far).

1. Go deeper in selected jurisdictions: LGSP should, in consultation with its local partners, who had many suggestions, try to achieve greater depth and specificity in training and TA in *selected* jurisdictions. They should select either the strongest jurisdictions or perhaps middle-level performers and should monitor carefully what added inputs produce in the way of process improvements and the impact of improved processes. LGSP might also consider dropping jurisdictions where the Executive have shown a clear reluctance to cooperate and reinvest those funds in more interested local governments.

2. Experimenting with service delivery: Again on a very selective basis we recommend that in the final year, LGSP encourage some tangible outcomes which may improve delivery of service even at a modest level. We recommend that LGSP select a few more advanced jurisdictions and set out to see if they can move the process forward to a tangible improvement in service delivery.

3. Strengthen the results orientation: LGSP has made consistent efforts to improve monitoring. This has had costs, as noted frequently above, in the ability to demonstrate change over time. It is late in the project life to bring about additional improvements, but more focus on changes brought about by improved processes (at least in the jurisdictions where the processes are most improved) makes some sense and should be attempted.

4. Retain/strengthen/refine national focus: Because of the importance of national policy to effective decentralization, the team recommends the continuation of this initiative. This represents a continuation and suggestion for an increased and increasingly strategic focus over the final year of the present program. It is possible that LGSP should look for additional opportunities to work with DRSP and jointly seek to increase strategic points of entry.

5. Retain comprehensive “three pillar” approach: This is a core component of the present LGSP program. The approach should be continued. LGSP should consider giving careful attention to the challenges faced by newly elected DPRDs and situations where DPRDs and the Executive represent different political parties. As noted above, if no progress is being observed and the Executive is uncooperative, LGSP should withdraw.

6. Strengthen local service providers/institutions/support centers/universities: This is a continuation of an interesting element of LGSP and is essential to any hopes of local replication and sustainability. At this stage the program needs to focus on the more effective institutions and strengthen their ability not only to deliver and replicate, but also to carry out needs assessments, determine priorities and innovate.

7. Ideas for sustainability: While this is a continuation, the last year of LGSP is the time to emphasize practical methods and steps most likely to lead to continuation, while observing and recording the most promising signs of continuation, learning lessons about what works and under what combination of circumstances and which are replicable. LGSP should, in addition, give attention to every opportunity for replication and scaling up; e.g., through wider dissemination of its materials electronically and in hard copy, strengthening local institutions as resources, curriculum and training centers and a greater emphasis on training of trainers, with post training evaluation as an essential accompanying element.

I. INTRODUCTION

In June, USAID/Indonesia commissioned MSI to carry out an evaluation of the three-year old Local Government Support Project (LGSP). The purpose of the evaluation was to provide mission management with empirically-based information about 1) the extent to which LGSP is meeting its intended result of expanding more effective, accountable, and participatory local governance; and 2) lessons learned regarding thematic focal areas and approaches used during program implementation. The evaluation was geared to determining results and how best to improve them; it did not target project management.

Objectives of the evaluation were threefold:

- To assess the impact of the LGSP program on improving implementation of Indonesia's decentralization by providing technical assistance in strengthening local governments to be more effective, accountable, and participatory;
- To provide practical recommendations, based on findings and conclusions, on how LGSP can maximize impact and sustainability during its remaining implementation period; and
- To suggest approaches that USAID/Indonesia may consider in possible future decentralization and local government programs.

The team was also asked to address the following questions:

1. LGSP was designed to lay the foundation of good local governance necessary for improved service delivery, but it was not intended to provide direct assistance to local government service delivery. Given this context, what has LGSP's impact on local government management of services been? In districts where LGSP collaborated with other USAID projects that did emphasize service delivery, what impact did LGSP assistance have on local service delivery capacity or performance?
2. Was LGSP's approach to service delivery and management of services adequate? What could be done in future program design to improve linkage and impact on service delivery?

MSI was awarded the contract to conduct this evaluation of the LGSP program in late June 2008. MSI's evaluation team was composed of two Senior Local Governance Experts, Bob Sanders and Alan Edmond; two civil society experts with extensive experience with USAID evaluations and social science research, Drs. Harry Blair and David Hirschmann; and two local experts, with experience in civil society, governance, and evaluations research, Budi Setyano and Luky Djani. The team departed for the field after a three-day Team Planning Meeting was conducted with US-based team members in Washington, D.C. on July 8th through July 10th. Fieldwork was conducted from July 14th through August 5th, with the team traveling to provinces outside of Jakarta for three of the four weeks spent in-country.

The report is organized into the following sections:

- LGSP Project Background (this provides a very broad overview).
- Evaluation Approach and Data Limitations: This section summarizes the evaluation design and includes important findings about data problems and weaknesses in project performance indicators and the monitoring of outcomes and higher level impacts.
- Findings: This section presents evidence the team was able to muster about LGSP performance and progress. It is organized according to the project's development hypothesis, beginning with (1) inputs and outputs (training and TA) and then (2) program outcomes or a discussion of the

original three Intermediate Results (IRs), followed by a section comparing jurisdictions across those IRs. The team then addresses IR 4 which provides support at the national level. It then moves to findings related to (3) higher level impacts, which are defined as the changes that take place when improved processes are in place (e.g., budgets altered to include more pro-poor spending) and service delivery improvements. Findings conclude with a review of specific changes in Aceh and West Papua, a section included at the request of the Mission.

- Conclusions: This section addresses and summarizes how the team interprets the findings.
- Recommendations: This section addresses recommendations for a possible follow-up project as well as for the remaining year of LGSP.

II. PROJECT BACKGROUND AND CONTEXT

For over three decades, from 1966 to 1998, Indonesia experienced heavily centralized governance under which regional and local government bodies had little independent authority and operated merely to support the power of the central government. Following the fall of the Senator's regime in 1998, Indonesia undertook a dramatic democratic transition process, which included governance reform. The overall governance reform that commenced then, and is continuing, has generated significant institutional change, and is both transforming the political landscape and altering the rules of the game.

Laws 22/1999 and 25/1999, revised by laws 32/2004 and 33/2004, provide the framework for political and public management devolution whereby the provinces, districts and cities have taken on new responsibilities including a wide range of public service delivery functions. Local governments are now responsible for planning, financing and implementing policies on major sectors, including education, health, environment and economic development. They are also in charge of managing the development process, including overseeing the provision of sectoral services. The 1999 law and accompanying regulations provided the regional parliaments (DPRDs) with increased powers to supervise and control the regional administrations. However some of this power was reduced in 2004. The swift transfer of authorities from central to local government was not accompanied by significant capacity building for local players. Local politicians for the most part lacked formal experience of government and are learning on the job. Local bureaucrats also lacked experience in performing their expanded duties in a democratic and transparent environment. There were and also still are weaknesses in local government's ability to absorb the added responsibilities, particularly in planning, management, administration, and execution. In many regions too, local level civil society was ill prepared for this new dispensation of authority.

Apart from the lack of local capacity, the swift decentralization was not preceded or followed by an appropriate framework clarifying organizational structures, responsibilities, and relationships between and among levels of government. Although a number of government regulations and other instruments have been formulated recently, the regulatory framework was incomplete. The poor legal framework and repeated revisions have created ambiguity in the roles, responsibilities and distribution of authority between central, provincial, and local government. For example, provincial and district government share 26 authorities, but have no clear-cut distinction on the scope of their respective authorities. This leads to the situation where provincial and district government activities often overlap.

Further, the central government did not transfer the responsibility to local government with proper planning or adequate resources. Revenues and budgets are particular sources of disputation. Resources transferred by the central government are widely considered as insufficient for the greatly enhanced responsibilities of local governments.

Comprehensive decentralization without adequate preparation in terms of legal framework, resource arrangements and, of most relevance and urgency, capacity building for purposes of implementation,

provided the development problem for USAID. In March 2005, USAID/Indonesia launched the 4.5-year Local Governance Support Program (LGSP), a \$61.87 million technical assistance and training initiative to support Indonesia's decentralization. LGSP followed on the heels of PERFORM and BIGG, an earlier local government strengthening effort. The purpose of LGSP is to help local governments become more democratic, more competent at the core tasks of governance, and more capable of supporting improved service delivery and management of resources. A major component of USAID's Democracy and Decentralized Governance (DDG) portfolio, LGSP supports the intermediate result of "expanding participatory, effective and accountable local government" under the 2004-2008 USAID/Strategic Framework.¹ In terms of the new USG Foreign Assistance Framework, LGSP operates under the Governing Justly and Democratically Objective, the Good Governance Area, and the Local Government Decentralization program element.

LGSP is being implemented by a consortium of partners, led by the Research Triangle Institute as the prime contractor, with responsibility for overall management of the project and the major contributor in providing technical assistance. Originally, there were four subcontractors:

- The International City/County Management Association, with experience in developing and delivering training, including participatory municipal planning and budgeting;
- Computer Assisted Development, Inc., with expertise in data management systems, including computer hardware and software design;
- Democracy International, with a background of providing TA for democracy and governance programs worldwide, and working with international civil society organizations (Coos); and
- The Indonesia Media Law and Policy Centre (IMLPC), specializing in developing democracy media law and policy studies.²

LGSP's objective is to expand participatory, effective, and accountable local governance by providing training, technical assistance and other capacity building support to local administrations, locally elected councils and civil society in the following areas (see Annex E for the full Results Framework):³

IR 1: Improve local government performance and capacity to plan and manage resources and public services transparently;

IR 2: Strengthen the legislative function and process at the local level;

IR 3: Create a more effective civil society and media participation in local governance; and

IR 4: Create a more conducive, enabling environment to sustain and improve effective decentralization. (This IR was not part of the original set of IRs but was added in 2006, when the other IRs were refocused.)

The program began in March 2005 and will end in September 2009. In its original design, LGSP was to provide direct technical assistance (TA) to 100 local governments.

At the local level, the executive has always been the dominant player. In addition to the authority delegated from Jakarta, the executive also had a virtual monopoly of knowledge about planning, budgets,

¹ See Appendix D, "Results Framework" for greater details.

² The subcontract with the Media and Law Policy Center was completed in September 2007.

³ Local administrations executive and legislature, and civil society, are sometimes referred to as the "three pillars" by the evaluation team in this report.

financial management, and the workings of local government administration. Even so, skills in the executive branch tended to be weak in an absolute sense, and were exacerbated by corruption that paralleled at the local level what had become notorious at the national level in the Soeharto New Order era. The fact that DPRDs and CSOs were still weaker indicated that they had little capacity to monitor the executive and hold it accountable. In turn the executive had little incentive to build its skill base or to become more transparent. IR 1 aimed to address the first deficiency by enhancing the executive's ability to plan and manage its operations, while IR 2 and IR 3 sought to remedy the second deficiency by improving the DPRD's capacity to exact accountability from the executive and by building civil society's ability to draw more meaningful participation into the public policy process.

After the first year of implementation, USAID decided to place greater emphasis on scaling up good practices nationally through various dissemination methods as well as supporting policy measures. As a result, IR 4 was added to the Results Framework to address the enabling environment and improve the prospects for sustainability by creating/strengthening national and local networks for training and service providers, sharing of information among local governments, and central government guidance and policy briefs that probe critical issues confronting local governments and inform national level decision makers. This also involved greater engagement and partnership with the central government, especially the Ministry of Home Affairs (MoHA).

To permit adequate attention to be provided to this new national level effort, the total number of target local governments was reduced contractually to 65-70.⁴ Partner local governments were brought into the LGSP program in two main batches: the first group of 30 local and two provincial governments (Batch 1) began receiving TA and training in April 2005, and the second group of 27 local and two provinces (Batch 2) came on board nearly a year later, beginning in March 2006. At various points following that, other local governments were added including five West Papua local governments and six WB-SPADA (Support to Poor and Disadvantaged Areas) funded local governments in Aceh. Some initiatives also took place at the provincial level in four provinces. As noted above, USAID required LGSP to add to its portfolio additional jurisdictions in the two regions of Aceh (in 2008) and West Papua (in June 2007). In Aceh province, LGSP's began working with five local governments to facilitate tsunami recovery in 2005. Since that time, the program shifted its emphasis to strengthening the management capacities of district and provincial government to better prepare them for the responsibilities of special autonomy and closing of the Rehabilitation and Reconstruction Agency (BBR). The World Bank and the Multi-Donor Fund for Aceh and Nias are now directly funding LGSP to expand the program to an additional six local governments.

In West Papua, LGSP is working in five jurisdictions with an emphasis on improving accountability systems for planning and managing increased revenue flows from special autonomy and natural resources. The West Papua Program, also called the "Bird's Head Governance Initiative" is co-funded through a public-private alliance between USAID and BP Berau, Ltd. Starting in August 2008, following a request from Provincial Government, LGSP will provide some tailored assistance to the Provincial Government based on a joint work plan currently being developed.

These new demands, without additional resources, meant that LGSP had to close its work in West Sumatra in May 2007 (except for provincial initiatives which continue until 2009) and in West Java and Banten in September 2007, and also to end its media strengthening component. It operates in seven provinces: Aceh, North Sumatra, Central Java, East Java, South Sulawesi, and West Papua. In addition,

⁴ See Appendix E, "LGSP Partner Districts and USAID Partner Projects" for more detail. According to this 2008 document, LGSP has assisted or is assisting a total of 72 local governments and provincial centers.

less intensive assistance is being provided to several provincial governments including Aceh, West Java, West Sumatra, East Java, Central Java, South Sulawesi and, most recently, West Papua.⁵

To date, then, LGSP has provided TA and training to 69 local governments and seven provincial governments in nine provinces. The LGSP training and technical assistance is aimed at helping partner local administrations improve skills and systems and adopt improved practices for planning, budgeting, and financial management. LGSP disseminates various tools and planning and participation methodologies through local, provincial, and national partners in an effort to reach more local governments. LGSP also provides some limited support for specific services. Assistance is also provided to civil society organizations and local elected legislatures (DPRD) so that they can play a more active and productive role in holding their local government accountable. At the central government level, LGSP has been supporting the Government of Indonesia (GoI) in preparing guidelines and regulations related to participatory planning, minimum service standards, local government assessment, service contracting, and a national capacity building framework.

An important introductory point concerns the donor context in Indonesia. A separate Indonesia DG Assessment, carried out by Democracy International prior to this evaluation, made a number of helpful points, most of which the team experienced directly in its own field work, and the more so in Jakarta itself. Firstly, donors' ability to influence reform in Indonesia is very limited, especially perhaps in the area of democracy and governance. By comparison with other countries, where donor funds may represent 80% of the government budget, in Indonesia donors provide a very small part of the Government budget. As the assessment concluded, "Thus donors can only hope to catalyze change or to support Indonesian Government policies." This in turn requires the GoI to clarify its policies, which it has not yet done in terms of local government reform. The Assessment also confirms the team's observation that in a country as big, spread out, and diverse as Indonesia, it is very difficult to register an impact at the national level, especially when working at the local level. Finally, the report notes that some of the formal bureaucratic practices (and we would add, intra-bureaucratic competition) complicate the role of all donors including USAID.⁶

These limitations on USAID influence are present in spite of the fact that USAID's DG program in Indonesia, valued at \$45 849 000 in 2006, may be among the largest, if not the largest, provided to any country with the probable exception of Iraq and perhaps today Pakistan and Afghanistan as well. That the latter three states would consume substantial Democracy and Governance resources given their instability is not surprising. In addition, the LGSP project is likely to be the largest USAID local government Technical Assistance (TA) and training project in existence at this time. The Pakistan decentralization program is about to increase to the dollar value of its local government program but it is currently funded at around \$30 million. While Iraq and Afghanistan may have larger programs, these are very different environments and the sums allocated include substantial funding for state building and for physical infrastructure. However, Indonesia has a much larger and more dispersed population than any of these other countries.

⁵ See Appendix E.

⁶ *DG Assessment*, Final Report, May 2008, p. 41-42.

III. EVALUATION METHODOLOGY AND DATA LIMITATIONS

A. Approach

The methodology for the evaluation was primarily qualitative, and included data collection in both LGSP partner and non-partner districts. The research approach included a review of LGSP-generated and other documents, key informant interviews, and group interviews. The team collected and analyzed data from a variety of sources, including from citizen surveys. The team interviewed over 200 individuals (some more than once) during the course of the field work. Interviewees included USAID staff, LGSP staff, national government officials from MoHA and Bappenas, provincial and local government officials, local elected legislators (DPRD members), local and national level civil society organizations, media representatives, and other stakeholders. Despite attempts, some key GoI personnel in Jakarta were unavailable to meet with the team, leaving the team with less insight concerning the government’s perspective on both IR 4 and the overall project than was desirable. The guide upon which interviews were based is shown as part of Appendix A’s Evaluation Plan and Team Composition and the documents consulted are shown in Appendix B.

The team traveled to eight LGSP districts and cities and two non-LGSP districts in four provinces as part of their fieldwork. The local governments selected for the sample were:

Aceh

Kota Banda Aceh
Kabupaten Aceh Besar

East Java

Kota Mojokerto
Kabupaten Probolinggo
Kabupaten Pasuruan (comparison non-LGSP LG)

South Sulawesi

Kota Pare Pare
Kabupaten Pinrang
Kabupaten Sidenreng Rappang (Sidrap) (comparison non-LGSP LG)

West Papua

Kota Sorong
Kabupaten Manokwari

Because of the special importance to USAID portfolio, the mission directed the team to visit jurisdictions in West Papua and Aceh. Apart from that requirement, site selection for the visits was based on the following:

- A mix of high performers and low performers on the Good Governance Index;⁷
- A mix of participants in the LGSP program from batch one and batch two;

⁷ LGSP developed two such indices. See Appendix G. LGSP, early in its program, developed a set of “Principles of Good Governance” to assess the performance of target institutions in areas such as participation, transparency, accountability, and professionalism. The MSI Evaluation Team considered the results of the “Good Governance Index” in selecting which sites to visit. This assessment methodology, with later refinements, evolved into LGSP’s “Local Government Assessment Tool” (LGAT).

- An equal distribution of kotas and kabupatens;
- Geographic distribution;
- Some local governments where LGSP was cooperating with other USAID projects; and
- Access, e.g., can the local government jurisdiction be reached in a reasonable timeframe given field time limitations?

For the site visits, the team divided into two sub-teams. The first sub-team traveled to South Sulawesi and West Papua; the second traveled to Aceh and East Java.

The mission requested that untreated or control districts be included in the evaluation, and incorporated questions relating to a comparison of treated and untreated local government units in the evaluation Scope of Work (SOW). Because of serious field time limitations, regional differences that required attention, and the considerable distances that had to be traveled to reach some target districts (particularly in West Papua), it transpired that only two non-partner districts could be visited. This was not a sufficient number from which to draw valid comparisons.

In the schedule that was finally approved, the team had limited time for interviewing in Jakarta, and spent roughly two days in each visited LGSP district, and one day in each control site.

B. Data Availability and Limitations

The team faced a significant challenge in assessing higher level project outcomes and impact, the first of the three objectives of the evaluation. Here we use the term “outcomes” for mid-range impacts in terms of changed governance processes and “impact” for high level changes that come about because of improved governance processes, such as plans that are responsive to citizen demands, improvements in service delivery and a more equitable distribution of power. An example of the causal logic applied in this evaluation (and implicit in the LGSP’s Results Framework) is as follows:

Changes in governing processes take place, such as:

- A local administration releases information on the budget and held a town hall meeting to discuss the budget.
- CSOs and citizens attend the meeting and speak out, and then follow up with advocacy.
- The DPRD holds a public hearing on the subject.
- The media covers the hearing and articles and radio programs discuss it.

These positive changes in turn produce a shift in budget allocations to permit funding of one or more citizen priorities.

A key question at this higher level of impact is how local government priorities differ as a result of a more transparent, knowledgeable, and participatory governing process. This level of impact falls below the level of actual service improvement but is above the level of IR indicators. It might reasonably have been the level at which the Strategic Objective (SO) could have been pegged, had citizen perception of Local Government and its services not featured so significantly in the original PMP.

I. Interviews and Site Visits

Of the large number of jurisdictions in which assistance has been or is still being provided, the team visited only eight, which is a small sample. Of those eight, four were really outliers, special cases required

by USAID. For purposes of comparison, the team visited two out of more than 400 untreated jurisdictions. Based on our selection criteria, the LGSP sites were intended to represent different levels of performance, which, as it turned out, they did. The two sub-teams learned a great deal about how LGSP works, the diverse contexts in which it operates, the challenges it faces, and observed results of, and responses to the project. Readers however should be warned about placing a very high confidence level in generalizations from such a modest sample.

The team considered trying to aggregate interviewee perspectives, but concluded that this could be misleading. Some individuals interviewed were senior, some junior, some highly informed and experienced, some not; some appeared to have strong agendas, others did not; some were commenting as part of large groups, some were engaged in-depth one-on-one interviews; and some were convincing and provided support, while others made assertions. Therefore, in this report we will explain our findings from the field with what we judge to be an appropriate level of caution.

2. Project data

There was a substantial amount of LGSP-generated documentation and information that was useful at the levels of inputs, outputs, and outcomes related to governance processes (planning, budgeting, participatory mechanisms such as town hall meetings and the like). In seeking to understand changes in democratic governance outcomes, the main focus of the project, the team made considerable use of these project materials, mostly Performance Monitoring Plan data and Annual Reports. The most helpful of these documents was the LGSP Performance Report for 2007, produced in January 2008. This report and other project information will be discussed in detail in this evaluation.

The team acknowledges the complexity of measurement in this kind of project. There are serious challenges to measuring, assessing, and attributing institutional improvements as well as changes in democracy and governance processes. The complexity of the task is increased when a project needs to aggregate impact across a large number of very different jurisdictions.

One disadvantage for the project in reporting against its indicators is that the pool of assisted districts has changed every year, with new groups entering and more recently some leaving. The size of the universe has changed annually but indicator measurement is applied to the whole pool. Many of the indicators are configured in terms of percentages of target Local Governments (LGs). It can be challenging to ensure that indicator percentages rise in a satisfactory manner with new, weak LGs (and sometimes very weak LGs as in West Papua) entering the assisted pool. Reporting progress by LG batch might be a useful way of examining change over time. Progress is likely to appear stronger when the results are disaggregated by batch than appears to be the case when they are aggregated across batches.

Time series data for measuring higher level outcomes and impact were limited. In the early stages of the project, impact measures were included in the PMP. LGSP's 2006 PMP included six Strategic Objective (SO) indicators related to citizen perception about local government performance and service provision; for example, "percent of citizens that indicate that their service requests and complaints over the past year were addressed promptly and satisfactorily." In addition, measurement of IR progress included some citizen perception measures. A substantial investment was then made by LGSP in preparing and carrying out two public opinion surveys intended to capture the effects of the program on the public. The first survey was done in 2005 in Batch 1 districts and had a very large margin of error (over 7%). It was a broad survey meant to gather information for programming; it collected a lot of information that was not ultimately related to LGSP themes and activities. The second survey contained different questions, an acceptable margin of error, and was administered in Batch 1 and 2 districts in 2006. The second was tied much more tightly to the purposes of LGSP and while it was not advisable to compare it to the 2005 survey, it can to some extent be compared to "exit" surveys from Batch 2 jurisdictions in which the

project was closing operations in 2007 in West Sumatra and West Java. Unfortunately, the team did not find all these surveys very useful in determining project impact, but it did find some mixed evidence in the 2006 to 2007 comparison.

The perception indicators were later dropped from the PMP because it was determined by USAID and LGSP staff that any perception changes that might be found over the relatively short time frame of the project (1) could not easily be attributed to LGSP assistance given the number of potential factors involved; (2) were likely to be affected by the many variables outside the control of LGSP; and (3) were likely to be small and within the margin of error from one year to the next. The project team also concluded that since support was tailored to LGSP site needs and interests, the survey questionnaire would need to be tailored to each site, a prohibitively expensive endeavor. In short, using a beneficiary population survey as a tool for impact measurement was dropped and no substitute indicators were put in its place at the Strategic Objective level.

Another interesting LGSP attempt at measuring the increased capacity of target LGs is the Local Government Assessment Tool. One version was used early on in the project. Later it was substantially sharpened, improved and applied to a small group of target jurisdictions. Unfortunately, a time series comparison between the two cannot be made due to differences in approach. Since the application of the refined instrument took place only in Batch 2 jurisdictions, the team was unable to set up a comparison between Batch 1 and 2 using these data.

In sum, LGSP studies that might have been helpful in tracking change over time were only administered once, had not yet been repeated at the time of this evaluation, or were changed in substance making comparison difficult. Additionally, some indicators were dropped or altered from year to year. It was not always clear to the evaluation team whether the numbers reported against some PMP indicators were cumulative or annual. LGSP also changed Monitoring and Evaluation officers a number of times, which may have contributed to inconsistency in data collection. Changes were generally made to improve the quality and relevance of data; many of these changes were helpful and thoughtful (like the LGAT), but they complicated efforts by the evaluation team to assess progress over time. This evaluation includes IR indicator tables drawn from the 2007 Annual Performance Report. That report explains some of the difficulties the team had in working with these data:

“Performance Data is presented for FY 05-07. Where possible, achievement is shown for each year thus allowing a comparison from year to year. However, some activities did not run in 2006; hence data is not supplied for all indicators for all years. Several indicators are missing targets for FY07 due to a lengthy process of modifying the performance monitoring plan during which time targets were not set for a number of indicators. The variance between targets and achievements for some indicators in FY07 is largely due to the setting of FY07 targets before FY06 data was compiled; hence, on occasion targets are not based on previous year achievements.”

Many Results Framework IR indicators are qualitative in nature (even though they are cast in a quantitative manner), and as such they require detailed definitions and careful application. Some LGSP indicators could benefit from more thorough definitions with careful thresholds for performance. In the absence of clear thresholds, the team could not be entirely clear how judgments were made, for example, with respect to whether a district annual plan (or strategic plan in a similar indicator) was “prepared with enhanced participatory processes.” The definition for this indicator, which was found in a 2008 revision of the PMP, defines the threshold for inclusion as a plan that was developed with inputs from key local officials, community leaders, business entities and other members of the community. What remains unclear is how high a standard has been set for these inputs. In other words, what is the exact threshold

for deciding that adequate input has been provided? Is one meeting at which all groups are present adequate? Is one meeting at which two of the categories are present adequate? Should there be multiple meetings? What has to happen at these meetings? The team does not know the exact specifications and if specifications might have differed across applications in different provinces. Nevertheless, even with these limitations, we judged these data as relevant and largely well grounded, and we made use of them.

Interpreting the trend line is further complicated by the fact that the level of assistance being given by LGSP is not always clear. For example, a public hearing actively facilitated and supported by an LGSP adviser has a different value as a measure of impact from one where the DPRD does this on its own initiative and with its own resources subsequent to training. An improved budget prepared under the supervision, or with the active participation of an LGSP expert, is different from one where the LG unit, with the benefit of LGSP, prepares the budget independently after having been trained. A senior LGSP officer noted the continuing active LGSP involvement in these activities, and cautioned against defining all of these events as significant impacts.

Another source of data with the potential to measure higher level impact was LGSP's Mid-term Appraisal of Public Service Improvements (2007), which assessed progress in implementing the project's Service Improvement Action Plans (SIAPs). These small-scale activities comprise specific service delivery improvements that were to be identified and accomplished through stakeholder involvement and participation. LGSP provided technical assistance, while the local governments funded the actual improvements. The mid-term appraisal was conducted via focus groups with those involved in implementing the SIAPs. It categorized the state of the SIAPs as active (underway), start-ups (initial stage), completed (objective met) or dropped (without completion of the planned service improvement). However, gauging SIAP actual progress was difficult because of a lack of information about actual services when services were involved (e.g., the number of complaints registered and addressed at a complaints center).

Furthermore, SIAP progress monitoring illustrated problems with discontinuous measurement approaches. The first appraisal of SIAPs in 2006 was an internal LGSP qualitative appraisal which should have served as the baseline. A second appraisal, using a different methodology (focus groups of SIAP participants) was implemented in 2007, and was intended to serve as the baseline. An upcoming assessment⁸ plans to use the focus group approach again but with a different tool than the second appraisal in order to eliminate ambiguities found in that second appraisal. The continual refinement of measurement tools shows thoughtful attention to improving measurement. However, this posed problems for capturing time series change. Here, with respect to the SIAPs, the project ends up with a late and perhaps elevated baseline since implementation was well underway by 2007, thus reducing the impact that can be shown.

To supplement the lack of clear data on service delivery, information on improvements came from the field visits obtained through key personnel and group interviews. In the limited time allowed for each site visit, the evaluation team was not able to validate fully improved governing process by scrutinizing budgets, Midterm Plans, draft legislation, meeting minutes and the like and then comparing them with pre-project efforts. In each location, the team interviewed representatives of all three pillars (including the media) and made every effort to triangulate and to compare accounts and claims. Although the team did not always succeed in this, it believes that a good number of consistent patterns were discerned, and these lend credibility to the report's findings.

⁸ This was due as field work was being undertaken for this evaluation and thus not available for the team's review.

It is important to stress that the team cast a wide net in search of project impact on budgets, policies, and plans (the product of improved governing processes) and at the highest level, service delivery. In trying to determine these impacts, the team pursued any suggestion or anecdote about change by interviewing

additional informants. For many of these stories, the team was unable to uncover sufficient credible evidence. Since LGSP itself was not looking for change at this level nor was the mission requiring it, the team had difficulty answering the evaluation SOW question related to improved services. The team did not have the resources to investigate the impact of USAID sectoral projects that were co-located with LGSP, except at two site visits. Doing so would have required gathering a significant amount of sectoral project performance data and trying to tie sectoral project results and activities with specific LGSP interventions and results, a serious conceptual challenge.

3. External data

There was little pertinent or useful external documentary evidence related to project outcomes and the related link to improved service delivery.

Despite its efforts, the team was unable to obtain potentially useful data sets from two sources: (1) performance reports submitted by all Local Governments to the Central Government – the team attempted to obtain these data from BPKP and Menpan, but was told the data would be available only from October; and (2) Bapennas carried out a study in 2006 which is reported to reflect favorably on LGSP accomplishments. USAID had received a summary of the report but the entire report was not available.

The team also obtained the survey instrument and data from the Economic Governance Survey of businesses conducted by the Asia Foundation in 2008. The evaluation team was unable to link questions in the instrument closely enough to project interventions to make the considerable effort of manipulating SPSS files and the ensuing analysis worthwhile.

The team also tried to use a one-time World Bank survey, administered in late 2006, to further examine citizen satisfaction and experience according to Batch 1, Batch 2 and untreated LGs but largely derived no interesting or significant differences across the three groups. The fact that Batch 1 LGs had only been in the assisted pool for 15 months and Batch 2 LGs for three months at the time of the survey helps explain similar findings across the three jurisdictions. Even if significant differences had been found, the lack of an earlier baseline would leave analysts not knowing whether the group that showed a positive difference had just happened to be more advanced on the features measured at the outset of the project period. Citizen satisfaction appeared so high in the survey as to raise the need for further investigation; it did not seem like that actual services could be that good.⁹ If the survey is ever administered again, the kind of analysis performed by the evaluation team should be conducted again, but for those questions related to actual experience rather than perception. While the team did not consider it worthwhile to attach the cross-tabulations as an appendix to this report, these electronic files were provided separately to the Mission.

The team also looked at recent national public opinion surveys regarding DG conducted for the Mission by Democracy International (DI) and the Polling Center. According to DI staff, these surveys oversampled in provinces of interest to USAID but did not over-sample at the target district level. Again, we could not determine how to tie the results of these surveys to LGSP.

⁹ For some discussion of this phenomenon, see Lewis, Blane D., and Daan Pattinasarany, “Determining Citizen Satisfaction with Local Public Education in Indonesia: The Significance of Actual Service Quality and Governance Conditions” (Jakarta: Asia Foundation, 1 February 2008, unpublished)

Summary on Data Availability: In the end, the team found reasonably adequate information related to inputs, outputs, and outcomes related to improved governance processes. We found little data related to the multiplier effects that might have occurred across the project IRs or higher level impacts that might have occurred at the SO level due to changes in governance processes.

IV. EVIDENCE/FINDINGS

The team's findings will be organized in terms of three levels of results. The first will focus on the project output level and will deal with achievements of, and responses to, LGSP training and technical assistance. The second will report on the project outcome level and will address improvements in democratic and local government management processes (the IRs). The third, the project's higher impact, will deal with effects of the project on improved service delivery as well as other changes that resulted from improved processes (e.g., budgets and plans that reflect citizen priorities).

A. Program Outputs: Training and TA

Training forms the core activity of the LGSP program. By the end of June 2008, LGSP reported that more than 68,000 trainees had participated in LGSP workshops, seminars and other activities, the vast majority of which were conducted at the district level (a few were at the national level). Roughly 8,700 DPRD members were trained and the rest were from civil society, the media and the executive branch.

The topics on which training was provided covered a considerable range, but most focused directly on the administrative side of local governance, as can be seen in Table 1, which shows training activities by category for the first three quarters of FY 2008. LGSP's training targeted the nuts and bolts of local public administration: planning, budgeting, legal drafting, financial management, etc. More than 62% of the training activities shown in Table 1 (i.e., the top three rows) dealt directly with these topics. Much of the training, aimed at NGOs and legislators, also emphasizes these topics on the grounds that they must understand how local government works if they are to participate effectively in decision making and oversee executive action. Civil society training topics tended to focus on planning and the annual budget; workshops on advocacy also covered topics such as the midterm plan, the budget, and improving public services. Legislative sessions took up subjects such as asset management, drafting legislation, and budget oversight. Most of the training was apparently conducted in a workshop mode, which our interview respondents found useful, with its examples and case studies, role playing and the like.

TABLE 1. LGSP TRAINING ACTIVITIES, FY 2008 (FIRST THREE QUARTERS)

Topics	Oct-Dec 2007	Jan-Mar 2008	Apr-Jun 2008	Total	%
Planning	51	54	68	173	23.9
Finance & Budget	32	45	64	141	19.1
Management Systems	56	38	49	143	19.4
Legislative processes	35	17	38	90	12.2
Civil Society	52	40	81	173	23.5
Other	10	6	1	17	2.3
Total Activities	236	200	301	737	100.4
Total Participants	7675	7118	10186	24979	

Source: LGSP Quarterly Reports; percentages total to more than 100.0 because of rounding.

The team did not find evidence that LGSP aggregated or analyzed participant course evaluations across the different kinds of workshops provided. Only budget and planning workshops were formally evaluated by participants at the close of the training. For other topics, trainers did their own informal assessments post-workshop. There also does not appear to have been a systematic evaluative process for following up

with some portion of participants some months after training to explore comfort level with and use of new skills with a view toward improving training design. It is however the case that TA was often (but not always) provided after a workshop; this would have given LGSP staff providing the TA a sense of workshop effectiveness and would have enabled them to address any lingering participant discomfort with the skills and processes on which training was provided.

For the most part, most LGSP training participants expressed appreciation for the training, especially training related to planning and budgeting, financial management and legal drafting. Members of the three “pillars,” – civil servants, DPRD members and NGO representatives – interviewed by the evaluation team generally thought their training was beneficial; the bureaucrats believed it improved their skills. Interviewees especially found joint sessions (where individuals from the different pillars trained together) useful in enabling them to understand their counterparts and work with them more effectively and smoothly. In fact, where training targeted the three pillars separately, there were complaints that it should have been conducted jointly. Such criticism emerged especially in West Papua. There are however occasions when training the three pillars separately is needed because each will possess a different skill level.

Respondents said that the training has increased LG officials and DPRD member capacities not only to develop better budgets and plans, but also to formulate useful vision and mission statements. Many stated that they used the newly acquired skills and concepts on a daily basis, and some noted that they have internalized much of the material presented in workshops. A Bappeda official in Manokwari, who was charged with coordinating local participation in LGSP training, “walked” the evaluation sub-team through the current budget and the short-, mid-, and long-term plans, and described how those various documents are coordinated and made consistent thanks to the advice and training from LGSP.

Among the most commonly mentioned benefits were strengthening the capacity of LG executive officials and DPRD members in performance budgeting, the planning process, and in legal drafting; increasing participation in the Musrenbang participation process meetings; introducing participatory training techniques and approaches; training in understanding and interpreting the new decrees and regulations that originate in the central government; enhancing relations between the LG executive and the DPRD; contributing to creating an environment for more participation by civil society; and clarifying the roles of the LG executive and DPRD, leading to a better understanding of the separation of branches and the checks and balances inherent in a democratic form of government. In general, then, those the team talked to in all three pillars found LGSP’s training program worthwhile and said it had helped them significantly to understand and engage in local governance. In some sites, DPRD and CSO members especially thought the training enabled them to hold their own in dealing with the executive on planning, budgetary and legal drafting matters.

Respondents (primarily in the executive) remarked on LGSP’s attention to following up training with periodic visits to provide on-site TA (in some cases on a weekly basis) and to the program’s responsiveness to specific post-training queries. The team found that participants were most positive and felt the training was most likely to be applied when LGSP followed up with the trainees and provided regular TA to help them use their new knowledge and skills, as for example, with provision of TA on a daily basis during the budget preparation process. In another case, LGSP meets weekly with LG employees in the local Finance Department to discuss the resolution of ongoing financial issues. This approach enables participants to build capacity, test out what they have learned, seek advice and adapt.

In West Papua, and to a lesser degree in South Sulawesi, government and civil society participants in LGSP workshops made comments regarding the lack of follow-up to the training. They asserted that trainers dropped in, ran their workshops and then were difficult to find again. While this did not seem to be as prevalent with the budgeting, financial management, and legal drafting training, participants in those locations indicated that training on other topics was delivered and then nothing further was heard

about on the subject from LGSP. Interviewees cited a related problem; one of LGSP not using local talent enough but instead relying exclusively on outside experts. This affected by follow up and the extent to which training accommodated local situations. By contrast, there were few complaints about follow-up in Aceh and East Java, though some in the latter province suggested that training content in some cases needed to be more closely tied to local realities.

A few people, exclusively in the executive, thought the planning and budget training too theoretical and abstract; i.e., insufficiently related to their own situation and context. They suggested that they had hoped for more practical and applied instruction. Most respondents thought the planning and budgeting (P&B) training quite appropriate to their needs. Complaints from one district (Probolinggo) focused on the financial software that was introduced, asserting that the packages employed were incompatible with those they had learned and were, therefore, useless in practice. They said that they were using a package developed at the university in Malang and had adopted it as their standard. The LGSP training apparently used a software package that had been put together at a university in Surabaya and was not compatible (or not easily made so anyway) with the one in use in Probolinggo, hence the complaints. In Aceh Besar and West Papua there was some grumbling to the effect that the P&B training aimed more at higher levels in the civil service and thus was too advanced for a good number of trainees, while some in Mojokerto thought the training was too basic.

LGSP's broad programmatic coverage and breadth did create some problems for its training. For example, LGSP now includes ten district-level units in East Java and nine in South Sulawesi. In providing training to all these kota and kabupaten, often using the same provider to move around a given province, LGSP has been able to ensure that people in all the units receive similar essentials. This produced some complaints from our respondents that the scheduling was too rigid, that the program was spread too thin, that the case studies were too generic, and that the one-size-fits-all modules used in some topics (especially financial management) were too complex for some trainees while at the same time too simple for others. In Aceh Province, the local office was larger (a staff of 35) and resources more ample to deal with the six USAID-funded jurisdictions and the six added World Bank-supported jurisdictions, which may explain the absence of such criticism heard there. At the other end of the country, West Papua's remoteness appeared to intensify the complaints the team confronted in visiting our sample localities in that province.

Some participants remarked on scheduling rigidities resulting from LGSP's practice of hiring providers to offer their modules on a set timetable of sequential workshops or seminars to all the LGSP districts in a given province. Consequently some localities found their assigned training times were inconvenient or conflicting with other activities. Training and TA seemed to work most effectively when they were harmonized with the budget calendar and other calendar and legislative events: for example, offering training in participative planning and facilitation in advance of the Musrenbang participatory process (discussed later in this report); and in planning and budgeting and municipal finance to accord with the annual budgeting, planning and reporting stages, etc. Similarly with legislative strengthening, training that was received most enthusiastically coincided with the main sittings of the legislature or supported a particular legislative agenda.

LGSP staff note some frustrations on their part in arranging training that might explain some of the above-discussed critical reactions: sometimes participants demanded last minute changes in the training schedule to accommodate unexpected requests, such as a call to attend an MoHA meeting in Jakarta; wanted to jump to more advanced training before they have acquired the basics; or sought LGSP advice on every topic that crossed their desks, regardless of whether LGSP was mandated to provide such help.

LGSP produces subject matter materials, flyers, brochures, and academic writings that were generally but not consistently made available to former training recipients. One regional coordinator told us LGSP gave these materials out as a matter of course during workshops, although he added that the distribution was

handled in different ways depending on how technical the training was. Two other LGSP officers reported that dissemination of these materials was not consistent. They said they were not always in a position to hand out all the materials to all participants, that they did not always have enough copies or the budget to photocopy all the materials.

Of the seven interviewees (a mix of media and NGO staff who had attended LGSP trainings) who took part in a group meeting in Manokwari, only two said they had seen the handbooks or printed materials, and both said they had obtained them at events in Jakarta. They suggested that such materials were given out in Jakarta and other major provincial centers, but not in Manokwari, a small provincial city. Elsewhere, some NGOs expressed difficulty in accessing these materials. Some of them have sent requests to LGSP but the response was described as “slow.” On the other hand, government officials in Manokwari said that training materials were handed out and were being used by units in government.

While there were clearly differences of opinion on whether these materials were handed out or not and well used or not, it did appear that they were limited in number and were handed out more in some places than in others (e.g. Jakarta and Provincial capitals, rather than districts), and budgets for photocopying were limited. LGSP does seem aware of the distribution problem and plans to set up resource centers along with a web page to make all training and TA materials and reports more broadly available. LGSP does not appear to monitor the actual *use* of its materials.

Based on interviews, it did appear that when the project delivered relevant materials in sufficient numbers for all participants, took the time to demonstrate the relevance of the materials to the everyday work of the people being trained, and showed participants how to use the materials, that the participants did then actually use the materials and were grateful for them.

Additionally, more targeted discussions of training outcomes will occur in the sections below, under the relevant IRs.

B. Program Outcomes: Democratic Governance Processes

The project’s main focus is on changing governance processes. In this section, the team analyzes available project related data, drawing primarily on performance indicators, and other data, often but not exclusively from the team’s interviews.

1. IR 1: Improve local government performance and capacity to plan and manage resources and public services transparently¹⁰

This LGSP Performance Report for 2007 (see Table 2) tracks progress over time in a systematic manner, including many (but not all) baselines for 2005, many (but not all) of the targets for 2006 and 2007, and the “Actuals” for 2006 and 2007. Overall, the results for this IR seem most impressive in the area of adopting of a budget calendar and instructions, government accounting standards, improved financial reporting, and performance based budgeting. Progress has been strong in these areas starting from a low base. The results definitely point to an improved capacity in targeted LGs to plan and manage resources and to do so in a more open and participatory manner. These changes are steps in the right direction.

With respect to the provision of LG information to citizens, the evaluation team was able to compare a 2006 LGSP survey with the 2007 exist survey done in South Sulawesi and West Java jurisdictions. Over the period of that one year (admittedly a very short time frame from which few generalizations should be

¹⁰ Additional input into Findings relevant to IR 1 is provided in section D. Aggregate Findings, 1. Training.

made), there was a perceived increase in the provision of information via town hall meetings (and also television) in South Sulawesi. In West Java, there was an increase in the percentage of citizens who felt they could obtain *some* of the information they wanted from local government, but a decrease in those able to obtain *all* the information desired.

Sub-IR 1.1 Improved capacity for developing integrated plans that reflect citizens' priorities.

There are seven indicators for this sub-IR (see the indicators table), all relating to the percentage of targeted LGs that show improvements in budgeting and in planning of various types; four of these indicators include a requirement for more robust public participation. The baselines for 2005 and the "Actuals" for 2006 are nearly identical, which probably reflects the fact that the target groups expanded from 30 LGs in 2005 to 57 the following year. However, if we compare baselines with "Actuals" in 2007, there are *highly significant increases* of between two and four times the baseline figures (and for nearly double the number of assisted LGs) for all of these indicators. This demonstrates widespread improvement in LG capacity for planning and budgeting and undertaking both in a more participatory manner. These indicators however do not demonstrate that plans and budgets actually reflect citizens' priorities.

Among the executive officials with whom the team met (and as noted in the section on project outputs), LGSP training was generally considered to have improved participant skills in the planning process. In many of the team's meetings with executive personnel, discussion eventually centered on the Midterm Plan or Five-Year Plan). This is the key instrument of local governance; central responsibility for guiding local governance has fallen on the district head/mayor, who at the beginning of his/her term is expected to direct the executive in producing a Midterm Plan. The DPRD, in some cases with input from the CSO community, then vets the plan, and possible changes are negotiated with the executive. Next, the DPRD passes the plan, which becomes the road map for the ensuing five-year term. The annual budgets implement the plan, but it is the Midterm Plan itself that drives local public administration.

In most of our cases, officials told us that their LGSP training improved their ability to craft the Mid Term Plan. In our short field visits, we were not able to examine these Plans and compare them with previous versions to see whether they had improved in an objective sense, but we noted that DPRD representatives also said on the basis of their own involvement that the Plans had become better. In some cases, CSOs said the same.¹¹ One official in Pinrang explained in some detail how the quality and specificity of the financial indicators in use in the plans had improved as a result of LGSP training.

Despite these improvements and a few resulting examples of DPRD and CSOs, influencing plans and budgets (and citing their LGSP training as instrumental in giving them the capacity to do so), virtually all our respondents in all three pillar institutions concurred that inputs from elected representatives, CSOs and citizens themselves are constrained because they must "fit into" the Midterm Plan as the key policy document. Whatever "bottom-up" input might come from legislature and citizenry, it will not be considered unless it fits with the parameters set by the "top-down" planning of the Mayor or District Executive.

Moreover, while the Midterm Plan is ostensibly the Mayor/ District Executive's creation in which he/she makes his election platform promises into a concrete programmatic instrument, in reality it tends to be much more the product of bureaucratic expertise than mayoral inspiration. And in particular, it is the

¹¹ In other areas where executive officials asserted that LGSP training had improved other skills, e.g., financial management and management systems, the team was also unable to ascertain the extent to which skills in fact had improved. Moreover, in these sectors DPRD and CSO members were much less apt to offer comments on executive skills, because while they had become quite interested in planning, they had little technical knowledge of these more arcane aspects of public administration.

officials in the Bappeda and finance departments that hold that expertise. In the end, then, it is not just the executive branch that rules, but the civil servants in the planning and financial offices of the executive that rule.

By focusing so much of its effort on planning and budgeting, LGSP has sought to spread that expertise to other institutional actors and thereby loosen the executive's grip on the business of local governance. In a number of cases, it has succeeded in doing so. As a result, DPRD and CSOs from some districts have become more knowledgeable and assertive vis-à-vis the executive, while the executive for its part has come to accord some respect to the other two pillars. In other places we visited (West Papua in particular, but also Pinrang to some extent), the executive continues to hold the DPRD and CSOs in low esteem.

Sub-IR 1.2 More transparent and effective financial management

Here, there are five indicators dealing with different aspects of financial management, three of which do not have baselines. Only one, on the use of asset management, shows no improvement over time; it remains at only 5% of target LGs. However, and somewhat oddly, 23% of the targeted LGs have generated revenue from asset management. The other three indicators show improvements in accounting and auditing procedures; although it is possible that two of the indicators reflect that as at least a partial result of central government requirements.

Vis-à-vis the preparation of budgets, another key area of LGSP focus, a Government report noted that in 2006, a higher percentage LGSP-supported districts completed the budget process than did non-target districts. However, in 2007, this was no longer the case; 59% of target jurisdictions met the time line in contrast to 60% of the non-target jurisdictions, while 21% of target jurisdictions as compared to 17% of non-target jurisdictions submitted very late (after February).¹²

Sub-IR 1.3 Improved transparency and responsiveness of public service management

This is a more ambitious area of attention, but it is measured by an uneven set of indicators. This sub-IR is meant to capture the results of the Service Improvement Action Plans or SIAPs. SIAPs were meant to demonstrate that the three pillars could cooperate with each other to provide improved services. The actual activities undertaken focused on regulations needed to improve services or actual services. Results show that 30 LGs have implemented SIAPs and 21 have implemented partnership arrangements for service delivery improvement. Neither of these two indicators, however (and SIAPs will be discussed further), tells us much in relation to the results statement.

There were originally 116 SIAPs in 54 partner jurisdictions (some districts have more than one SIAP). In 2006, LGSP carried out an assessment of its SIAP program and reported that 19 SIAPs were active (underway and with robust success potential), 25 were in the start up phase (and were at least potentially successful), 40 were completed (and soon to be institutionalized), and 32 had been dropped (as they were not adequately funded). Since that time, an additional 21 SIAPs have been eliminated for technical or budgetary reasons. The remaining 63 SIAPs are varied in their emphasis. Some were sequential and focused first on a regulation needed to underpin a service and then the service itself. Examples included establishing a business clinic to strengthen the development of small and medium enterprises, creating a Basic Health Care Insurance scheme for the poor, and installing a computerized data management system to speed up customer service in sub-district community clinics, and in some cases focused on putting in place a regulation that was required to focus on the desired service. While LGSP provided technical assistance in selecting and establishing the public service improvement, the actual costs are generally funded from the LG budget.

¹² Data are from Perd APBD 2008 Yang Pelah Diterima, Directorate General of Financial Sharing between Central and Local Governments, 2008.

The team found evidence of two SIAPs during its eight field visits. One in Pinrang (to create a sub-district outreach and complaints center) received the third highest score in LGSP's July 2008 appraisal of SIAPs, or 17.5 points out of a maximum of 20 points. The day the team visited the center was closed, but individuals interviewed outside the center were positive about it. The second SIAP, in Kabupaten Aceh Barat,¹³ also targeted a citizen complaints center. This SIAP received a score on the appraisal of 7.98; the evaluation sub-team was told by the Aceh Regional Director that the center was fully functional and staffed, and that a promotional campaign was educating the public of its existence and function.

Altogether, progress can be observed in SIAP implementation, but the overall effectiveness of the SIAP idea and the likely continuation of either the SIAP process or of SIAP initiatives was difficult to assess. LGSP has discussed the SIAP methodology with MoHA/OTDA. After meeting with and learning from partner jurisdictions that were conducting action planning according to the SIAP methodology, MoHA/OTDA decided to endorse the LGSP SIAP manuals. Unfortunately, there was a shift in personnel before this action could be taken, but it does suggest some potential for replication.

Two final performance indicators for this Sub-IR are concerned with aspects of service delivery apart from the SIAPs. The first one, "Number of LGs that have improved service delivery through more transparent and efficient procurement and tendering," lacks a baseline, and the actual in 2007 was three (the target was five). The other reads, "Number of LGs that have improved service delivery through better organizational performance." Here, the number is 18. For both of these, definitions are essential to an assessment of the significance of the results.

¹³ Aceh Barat kabupaten lies in Aceh Province but was not one of the districts included in our sample. We did not find evidence of functioning SIAPs in the other units that we visited. Actually there was one in Probolinggo (noted in LGSP Annual Report 2007, p. 10), but the LGSP district coordinator had recently died and his brand-new successor had not yet gained access to records that dealt with the SIAP.

TABLE 2: REPORTING ON PMP INDICATORS 2005-2007

	FY 2005 (# of LGs: 30)	FY 2006 (# of LGs: 57)		FY 2007 (# of LGs: 57)	
Intermediate Result (IR)	Base Line	Target	Actual	Target	Actual
IR 1: Improved local government performance and capacity to plan and manage resources and public services transparently					
Sub-IR 1.1: Improved capacity for development of integrated plans and budgets that reflect citizens' priorities					
% of LGs that have developed a Public Involvement and Information Plan	15	20	15	40	46
% of LGs that have developed a Budget Calendar and budget Instruction	17	20	17	40	59
% of LGs that have developed a performance based budget	32	20	32	60	68
% of LGs that have a Public Hearing on the budget	8	10	8	25	39
% of LGs that have developed Strategic Plans at district level (RPJPD or RPJMD) prepared with enhanced participatory processes	16	40	13	38	28
% of LGs that have developed Annual Plans (RKPD) at district level with enhanced participatory processes	16	40	20	46	32
% of LGs that have developed Strategic Plans at institution level (Renstra SKPD) prepared with enhanced participatory processes	25	40	20	63	53
Sub-IR 1.2: More transparent and effective financial management					
% of LGs that use asset management techniques	5	5	5	10	5
% of LGs that have generated revenues from asset management	-	-	-	*	23
% of LGs that have adopted government Accounting Standard (PP24) and Basic Accounting	18	30	-	40	68
% of LGs that have developed financial reports based on Government Accounting System	-	-	-	*	61
% of LGs that use internal control & financial audit	-	-	-	5	44
Sub-IR 1.3: Improved transparency and responsiveness of public service management					
Number of LGs that have implemented Service Improvement Action Plan (SIAP)	-	-	-	35	30
Number of LGs that have improved service delivery through more transparent and efficient public procurement and tendering	-	-	-	5	3
Number of LGs that have improved service delivery through better organizational performance	-	-	-	10	18
Number of LGs that have implemented partnership arrangements for service delivery improvement	-	-	-	5	21

2. IR 2: Strengthen the legislative function and process at the local level

This IR seems to receive far less attention in terms of formal performance measurement than the previous IR. There are three sub-IRs, measured by a total of four indicators in the PMP. (See the accompanying table for the indicators.) Performance appears more modest than for the first IR, reflecting the greater challenge of strengthening DPRD capacity and bringing them more effectively into governing processes. A particular problem in many LGs is the absorptive capacity of DPRD members. This helps account for the modest performance. Many are newly elected and new to the workings of government. They do not, for the most part, have capable, loyal, and effective research and policy staff to support DPRD legislative and oversight functions. Many of them are not equipped by education or political experience to insist on sharing power with a very assertive executive branch.

DPRD members face a challenge in understanding the many laws and regulations that are passed by the central government. Many DPRD members have an unclear vision of the powers entrusted in DPRDs, and they have few resources (other than projects like LGSP) to turn to for advice on legal and procedural matters.

The turnover of local DPRD members after each election (as high as 70% in some LGSP partner jurisdictions) reduces the good governance capacity of the legislative branch. It is a challenge to transfer knowledge effectively and quickly whether through existing DPRD members or external trainers. Institutional memory of new methods and processes in DPRDs in particular is inadequate and does not transcend elections.

Party dominance in some local jurisdictions also affects the integrity of the local government, both in the executive and legislative branches. For instance, a party's right to "recall" DPRD members and replace them with others can constrain sitting members from becoming too independent in their thinking and acting in the best interests of their constituents. In particular, the party's hold over its members can hobble DPRD efforts to act collectively in acting as a check on the Executive.

Indicators overall show that DPRDs are holding more public hearings. See Table 3 for the details. Citizens and NGOs obtain more information in these hearings and have an opportunity to voice their views. However, these results do not assess whether the meetings have any influence in decision making, and they tell us little about relations between DPRDs and the Executive (including nothing about DPRD influence on decisions), or about the quality of DPRD debates.

Sub-IR 2.1: Strengthened DPRD capacity to inform and solicit citizen input on key local governance and resource allocation decisions

The percentage of DPRDs that use participation mechanisms such as public hearings and town hall meetings on a "regular" basis has increased significantly, from 25% (the baseline in 2005) to 63% of target LGs. This certainly suggests a greater openness to providing information to and hearing feedback from citizens, but it does not say enough about how these mechanisms functioned – we learn little about what actually transpired at the meetings and whether citizen input was carefully considered in decision making.

The use of the word "regular" in indicators is a term that requires better definition, although the team notes that this qualifier has been dropped in the revised March 2008 PMP.

Sub-IR 2.2 Improved DPRD capacity for formulating local policies supportive of transparent and participatory local government

There are two indicators in use, one capturing the enactment of policies or regulations that promote transparency and the other citizen participation and oversight. The "Actuals" for both indicators

demonstrate that almost no progress has been made, though progress is only mildly behind the very modest targets set.

Sub-IR 2.3: Improved DPRD oversight capacity over the performance of local government agencies.

The result here shows that there has been an increase from 13 to 33% of target DPRD holding regular public hearings to review agency performance. In the case of this indicator, it appears that the threshold for inclusion is the holding of at least one hearing, which does not seem like an adequate definition of the adjective “regular.” The qualifying adjective has in this case as well been dropped from the March 2008 revision of the PMP.

The indicator does not tell us much about the way in which DPRD are actually exercising oversight and what impact it might be having.

In team interviews, some DPRD members from jurisdictions with better power sharing across the three pillars told us they were more able to make a case for changes in plans and budgets, for example, arguing that improperly formulated budgets needed to conform to Jakarta-based regulations (Probolinggo) or that some line items be shifted around in the budget (Mojokerto). DPRD members in Aceh cited similar examples. A few respondents said they had gained both skills and confidence and that this made it easier for them to assert themselves. They credited LGSP training for this. One DPRD (Aceh Besar) employed a LGSP-inspired scoring system to assess and debate Midterm Plan priorities presented by the executive.

In Pare Pare, the DPRD members reported that they had increased their engagement in the planning and budget process. They launched a few initiatives that the executive had accepted, a distinct departure from the older practice of just passing whatever plan or budget the latter sent to it. In Pinrang, a tense relationship between the DPRD and the executive has been alleviated somewhat by DPRD training in budget analysis. This has enabled a few members to engage in more oversight and dialogue with the executive, though a strong and somewhat paternalistic bupati has clearly maintained the upper hand.

A number of DPRD members noted that they were accorded more respect from civil servants than they previously received. And for their part, executive officials showed a little more acceptance of their DPRD than they had in the past when, as many observers told us (including some executive officials themselves), they considered the legislators ignorant of any serious knowledge about governance. In the words of one Bappeda, his DPRD had become significantly “less irrational” in dealing with plans and budgets after their LGSP training and TA.

An allied outcome of strengthening the DPRD and enabling them to take on the executive may be in a few cases to change the outlook of the more constructive members from a focus on party advantage and patronage to one concerned with the larger public interest. This is not meant to suggest that the members have abandoned their interest in patronage and party politics, but that in working as a body to take on the executive they have come sometimes to see a wider political picture. This assertion is impossible to quantify, but such a public interest concern did seem to characterize the mindset of a few DPRD members during the team’s interviews.

The team was unable to find convincing evidence of DPRD having made any such progress in its site visits in West Papua. Activities in West Papua, however, are of recent vintage.

TABLE 3: REPORTING ON PMP INDICATORS 2005-2007

	FY 2005 (# of LGs: 30)	FY 2006 (# of LGs: 57)		FY 2007 (# of LGs: 57)	
Intermediate Result	Base Line	Target	Actual	Target	Actual
IR 2: Strengthened legislative function and process at the local level					
Sub-IR 2.1: Strengthened DPRD capacity to inform and solicit citizen input on key local governance and resource allocation decisions					
% of DPRDAs that use mechanisms such as public hearings, town hall meetings, and advisory bodies on a regular basis to solicit citizens and stakeholders' input into local development plans and budgetary process	25	15	25	35	63
Sub-IR 2.2: Improved DPRD capacity for formulating local policies supportive of transparent and participatory local government					
Number of DPRDAs that enacted policies or regulations that promote transparency	-	-	-	3	1
Number of DPRDAs that enacted policy or regulation that promote citizen participation and oversight	-	2	-	3	2
Sub-IR 2.3: Improved DPRD oversight capacity over the performance of local government agencies					
% of DPRDAs that hold regular public hearings to review the performance of selected <i>dinas</i>	13	10	13	30	33

3. IR 3: Create a more effective civil society and media participation in local governance

This IR includes two sub-IRs, targeting respectively NGOs and the media.

Sub IR 3.1 Improved citizen and CSO ability to demand better services and hold local government accountable

No targets were set for the two performance indicators for this Sub-IR (see Table 4). The two indicators tell us that the number of CSOs engaging in a more systematic way with LGs has increased considerably, though there is a substantial and surprising decline in the numbers monitoring service delivery between 2006 and 2007. These indicators do not tell readers about the quality or the effectiveness of CSO efforts.

A key component of civil society involvement in Indonesian local governance lies in the Musrenbang process, which brings citizen inputs to development plans and annual budget preparation. In a sequence beginning at the start of each year, interested citizens come together at a desa (village) level public meeting called a Musrenbang, where they decide on their priorities for government funding. By the end of the Musrenbang, they are expected to have thrashed out their preferences to make up a prioritized ranking of public-funded activities. This reconciliation process repeats itself through the kecamatan (sub-districts) to the district level, where a final Musrenbang consolidates the priorities for the entire area. This final listing then becomes an input to the annual budget process for the district. In many areas, the whole process is a laborious one (Kabupaten Aceh Besar, for example, has 604 desa and 23 kecamatan feed into its overall Musrenbang effort), while in some urban areas it is less complex (Kota Mojokerto has only two kecamatan and perhaps a dozen desa).

Significant LGSP training has gone into preparing CSO leaders as well as DPRD members to participate in the Musrenbang meetings and facilitate the prioritization process.¹⁴ Those the team met said that they 1) had participated in both desa and kecamatan Musrenbang gatherings; 2) were able to draw on their LGSP training to help citizens prioritize their wants; and 3) had witnessed attendance at the meetings increase markedly in some jurisdictions. In a CSO focus group in Pare Pare, there was a strong difference of opinion about how many people attended these gatherings and whether those people who did attend were the usual elites or representative of a broader group of citizens. There was no way to check to what extent our respondents actually did take part in the lower level Musrenbang meetings. Nor was it possible to gauge to what extent their notion of “helping citizens prioritize” really meant guiding the Musrenbang, or even determining Musrenbang outcomes. Furthermore, those interviewed could not ascertain whether Musrenbang preferences actually made it into the annual budget (e.g., a clinic might have been incorporated the budget because it was in the Midterm Plan or answered some MoHA requirement, not because it emerged as a Musrenbang priority).

Even when citizen wants are included in the annual budget, they may run into the constraints set down in the Midterm Plan, which, as virtually all our respondents assured us, took the top priority. As several executive branch officers put it to us in different regions, “desires” (the “bottom-up” side) have to be reconciled with “needs” (the “top-down” side, as determined by the Midterm Plan). As one DPRD member in Aceh Besar observed, Musrenbang results tended to get “smothered” by civil servant expertise at the district level.

The team found that clear, verifiable Musrenbang outcomes were few; it uncovered few instances of Musrenbang priorities taking precedence over projects put forth by the executive. In at least one case

¹⁴ Some executive officials told us that they had attended Musrenbang meetings, but it was mainly the DPRD and CSO members who said they were involved.

(Pare Pare), however, CSOs told the team that upwards of half the Musrenbang priorities had been accepted in the kota budget, which suggests that citizen priorities have been taken into account. The team found a few instances where DPRDs were able to change plan/budget priorities in small ways, but could not tell if DPRD priorities had come from the Musrenbang process or were the product of DPRD deliberations. When these preferences, however well prioritized, must fit into the Midterm Plan, many of those who participated are going to be disappointed in the outcome. To a certain extent, such disappointment is part of the democratic process, of course; public policy making is in a very real way the art of allocating scarce resources to address plentiful needs.

The team was able to consult an internal self-assessment of LGSP's work on the Musrenbang. This provided thoughtful insight into how the program worked and what progress and challenges it confronted.¹⁵ This assessment found significant improvements in the quality of district Musrenbang in 2008 implementation compared with 2007, particularly at the preparation stage and the consensus formulation stage. The report attributed the improvement to greater political commitment, greater competence, better prepared drafts, improved capacity of facilitators, and better representation by stakeholders.

The report also pointed to continuing weaknesses in the Musrenbang process. These included the lack of: DPRD involvement, instruments and standard forms to facilitate (and maybe record) discussions; guidelines to ensure that group discussions have a strategic focus; discussion of, and agreement on, criteria in developing priorities; and agreement on or a calendar for carrying out, monitoring, or reporting back on post-Musrenbang activities.

According to the report, the quality of the process improved in 2008 (in 69.43% of LGs, based on 24 districts from 67.69%, based on ten districts). For nine of the ten districts (one location was dropped) that were measured in 2007 and 2008, the scores rose from 64.96% to 72.89%, which suggests that lessons were learned about how best to conduct the process. When the team examined average scores for Batch 1 and Batch 2 jurisdictions in the 2008 report, there was not a major difference: Batch 1 districts scored 69.86, and Batch 2 districts scored 71.53. The higher score for Batch 2 districts is a surprise but may simply suggest that LGSP is becoming more effective as time goes on.

The report concludes that there is now an increasing correlation between priority programs (the team assumes these to be Musrenbang or community-generated programs) on one hand, and RKPD and SKPD work plan drafts and also national issues on the other. It also notes a greater level of satisfaction among Musrenbang participants with the Musrenbang agreement and consensus results. The team acknowledges that this represent progress. However, while this may indicate growing concurrence between community priorities and government plans at various levels, it does not by itself demonstrate that the correlation is a result of greater and more influential input from the community. Secondly, the satisfaction expressed is with the process (agreement and consensus results) and not necessarily with tangible outcomes (e.g. increased budgetary allocation for projects prioritized by the community). Elsewhere the report appears to take note of these limitations at the level of implementation. It concludes that there is no correlation between Musrenbang implementation results and the local councils' agenda, no agreement on draft funding for the village allocation budget and no agreement on the list of proposed policies and regulations at the district/city, provincial or central level.¹⁶

¹⁵ "Notes on Implementation of Local Government Work Plan (RKPD) Musrenbang in Certain Districts and Cities" in 2008. This presents the findings from 24 LGSP partner jurisdictions. The tool used (contained in MOHA decree 050-187/Kep/Bangda/2007) measures the quality of each stage of the Musrenbang implementation process: preparation, implementation, results and consensus formulation, and post-Musrenbang budget preparation, through a detailed scoring process.

¹⁶ *Ibid.*, 6, 7, 9.

Aside from the Musrenbang process, CSOs took an active role in other domains. As the 2007 report indicated, a large number of partner CSOs developed budget monitoring and advocacy plans and that nearly half of those went on to conduct monitoring of LG services. CSOs also work through what have become institutionalized structures to interact with DPRD members (a “Wednesday Forum” in Probolinggo¹⁷ and a “Civil Society Forum” in Mojokerto). In one case (Mojokerto), the CSO community seemed to be as adept as the DPRD in understanding and using the processes of local governance, e.g., and it had worked closely, in one example, with the DPRD to initiate a draft education regulation. In Pinrang, CSOs and the media have also become involved in budget debates, though they have enjoyed at best a modest success and some appear to be in an overly cordial relationship with the executive in the eyes of a few respondents.

In Banda Aceh, a couple of experienced CSOs were able to demand some accountability by pursuing anticorruption efforts through the local media, but the civil society community in the province generally did not appear to enjoy the same level of influence as in our East Java localities. In Aceh, civil society was largely the creation of foreign donors drawn in by the tsunami disaster of 2004, and shortly afterward by opportunities for social reconstruction occasioned by the peace accords of 2005. A women’s NGO in Manokwari reported how LGSP training had helped it prepare a more effective advocacy campaign. This particular campaign, however, did not succeed.

In South Sulewesi jurisdictions, based on survey data, there appeared to be an increase between 2006 and 2007 in citizen willingness to complain about health and education services. Government responsiveness to such complaints, however, was perceived as having decreased. We do not know to what extent these findings can be linked to LGSP. There was over this time period no major change in citizen involvement in public hearings but there was a small increase in the willingness to voice opinions at those meetings.

While LGSP worked with NGOs, the team found little evidence that LGSP focused on interest groups such as farmers’ or traders’ associations which deserve to have more access to government planning and budgeting processes. Only in Mojokerto did the team find a strong involvement of small business associations and religious organizations in the budget process. As a consequence, the advocacy and participation of NGOs in budgeting seemed to have more of an impact on budget transparency than budget allocations.

Sub-IR 3.2: Improved use of local media as a responsible source of information between LG and citizens

The number of media entities investigating and reporting on LG performance has increased significantly and the number of LGs reaching out to the public and the media has also increased noticeably. This suggests that more information about local government is reaching the public.

¹⁷ The monthly Wednesday Forum included executive officials as well as DPRD and CSO members, thus covering all three LGSP pillars in one setting. And respondents from all three found the forum approach highly productive in fostering mutual understanding and cooperation among the pillars. LGSP evidently had a role in launching the forum, but we could not ascertain just what it was, as the district coordinator had died in an accident earlier this year and his successor was only two weeks in place when we interviewed him. In any case, the Wednesday Forum was widely praised by participants from all three pillars and seemed to the team to be worth trying to emulate.

TABLE 4: REPORTING ON PMP INDICATORS 2005-2007

	FY 2005 (# of LGs: 30)	FY 2006 (# of LGs: 57)		FY 2007 (# of LGs: 57)	
Intermediate Result (IR)	Base Line	Target	Actual	Target	Actual
IR 3: More effective civil society and media participation in local governance					
Sub-IR 3.1: Improved citizen and CSO ability to demand better services and hold local government accountable					
Number of CSOs that monitor and report on service delivery performance of local government and demand for better services	24	-	170	-	73
Number of CSOs that have developed budget advocacy and monitoring plans and submitted their findings to LG officials	15	-	75	*	160
Sub-IR 3.2: Improved use of local media as a responsible source of information between LG and citizens					
Number of local media outlets that investigate and report on the performance of local government officials and departments	9	30	9	*	33
Number of LGs that effectively use public relations offices to communicate with constituents and local media	12	10	12	15	43

Even though the media component was dropped from LGSP in 2007, the team was able to meet with a number of media representatives, both to find out about their experiences with the program and to get a better view of the local political scene in the places the team visited. As noted above, investigative reporting was the LGSP training component most often mentioned as important by our media respondents, and several journalists noted stories they had written using what they had learned. Journalists in Probolinggo and Mojokerto mentioned call-in radio shows (one reportedly successful, the other much less so). Perhaps LGSP's lasting impact here was best put in the words of one journalist in our Probolinggo focus group who participants agreed with the statement of one member, "Now we know what to ask for from the government; before [the training] we didn't."

4. IR 4: Create a more conducive environment to sustain and improve effective decentralization

At USAID/Jakarta's request, LGSP took on an additional result at the national level in the form of IR 4, to work at the national level to enhance the environment for decentralization by improving the operating rules under which local governance is conducted. This has meant working primarily with the two major central GoI institutions involved with decentralization and local governance: Bappenas and MoHA. This new IR also included strengthening the capacity and usage of TA providers to local government, providing opportunities for local governments to contribute to national policy making process, working with public and private training institutes to incorporate LGSP material in their curriculum, working with provinces as a means to scale up new practices to non-LGSP jurisdictions.

The central government promulgates laws and regulations dealing with decentralization and with provincial and local governments. Pursuant to revised national laws, GoI decentralization program implementers have over the past few years put into place new procedures and practices which should make LGs more directly accountable for their actions as they assume new responsibilities and, presumably, carry out new activities which will provide social and economic benefits. The situation at the national level in Indonesia, however, is still characterized firstly by lack of clear vision about decentralization and serious inadequacy in policy implementation and analysis capacity. Shortcomings include "imprecise language, and inconsistent definitions, contradictions between legal instruments ... stipulations that fail to regulate ... and too large a reliance on follow-up regulations on key issues."¹⁸ The issuance of needed regulations has fallen behind schedule and legally required deadlines are often missed; there is no regular assessment of policy impacts.¹⁹ As noted, comprehending their intended application and impact is a challenge for government officials at all levels, more so for DPRD members.

The MoHA generally exists as a supervisory and advisory body for local governments. The key position of the MoHA in the coordination of the central and local governments in the decentralization context is emphasized in GR 38/2007 article nine: "Ministers and heads of nondepartmental agencies decide norms, standards, procedures, and criteria for obligatory and optional authority (of regional governments)," and "the determination of norms, standards, procedures, and criteria as addressed in article (1) should involve interrelated stakeholders and in coordination with the Minister of Home Affairs."²⁰ The MoHA is therefore predominant in its relation to local and provincial government, as described in the laws cited in Appendix D.

The MoHA's central aim, according to interviews with several MoHA leaders, is to enforce MoHA's decrees and other regulations as to the formulation of budgets and accounting for the resultant

¹⁸ USAID DRSP, "Decentralization 2006: Stocktaking on Indonesia's Recent Decentralization Reforms," August 2006, p. 8.

¹⁹ Ibid., 11.

²⁰ See also Appendix C.

expenditures and revenue collection activities. Their emphasis, then, would be more on *financial management*, and less on *participatory local governance*, one of LGSP's main objectives. However, its responsibilities do extend further than this to include regional development planning which does include participatory local governance. While MoHA has a capacity building component for LGs, at this time MoHA, according to one government official interviewed, does not see capacity building as a priority, other than to view capacity growth as a function of understanding and obeying MoHA decrees.

Bappenas, as the central planning and donor coordinating agency, is the other key organization which has major influence over decentralization and over donor activities. Roles and responsibilities are not yet clearly delineated, providing space for disagreement and competition. This puts any donor operating in the area of decentralization in a predicament. USAID and LGSP are required to relate to both of them, and this has proved a challenging task, in some cases affecting their ability to make progress, as well as how they are viewed by both agencies.

The team would like to note that its efforts to interview some key players, particularly in the MoHA, were unsuccessful, and thus it was obliged to rely on a more limited set of interviews than would have been desirable.

Provincial Efforts: This new IR also called for LGSP to begin to work at the provincial level. The most recent LGSP Quarterly Report records that the project commenced work with West Sumatra and Aceh provincial governments during the quarter. In the former, the program set up a provincial good governance team, and in the latter, LGSP supported the process of allocating special autonomy (Otsus) and natural resource (Migas) funds to the districts (see p. 10 of the report). It is too early to look for results.

The decentralization law as currently written ensures a weak provincial level; this works to the benefit of LG proponents of local autonomy. A donor representative cited 23 "weaknesses" in the current law, some of which if corrected could strengthen the provincial level in a way that is not threatening to the LGs. Four major roles are envisioned for provinces: M&E for provincial and local programs, coordination of major governmental functions, prevention of economic recessions, and supervising the semi-autonomous regions. These are areas where the same representative the team interviewed stated that LGSP could make contributions.

How the Project is Viewed by Key GoI Counterpart Ministries: There appears to be some history of MoHA and Bappenas dissatisfaction with USAID and this project. LGSP appears to have got off to a bad start with both government entities; both agencies still recall this. The evaluation team had two meetings each with senior officers in Bappenas and MoHA. Despite repeated efforts, however, we were unable to meet with a few key officials in MoHA who worked closely with LGSP. The following discussion should be read with these limited contacts in mind.

The team observed that, USAID (and, we assume, LGSP) has managed to improve its working relationship with Bapennas. Bapennas officials, at the outset of the team's first meeting, went to some lengths to tell the team about what they saw as USAID lapses in early consultations about this project. They acknowledged that communication had improved and went on to talk about the substance of program. In the second meeting, at which the team reported on its site visits, the officials engaged in full, constructive and balanced discussion about LGSP. On balance, they appeared to be rather positive about progress.

By contrast, the meetings with MoHA officials, the second of which was with very senior officials were dominated by negative sentiments. Despite USAID efforts, which the team observed, to improve working relationships the MoHA, personnel did not appear to be entirely satisfied and they went to some length to make clear that they considered LGSP as peripheral to their decentralization efforts. They said that

LGSP's contribution to improving legislation and regulations and the establishment of LG performance norms was indirect and very limited. MoHA staff did however welcome LGSP TA to the Decentralization Support Facility (DSF), which is a central body for donor coordination. It is in need of analytical support from donors especially since it is currently revisiting its Logical Framework and then plans to develop a system to measure the impact of donor capacity building programs.

The MoHA officials interviewed seemed most disappointed that LGSP is a relatively small program in terms of the financial assistance provided (certainly compared with the World Bank's Kecamatan Development Program with its \$1.5 billion budget, for example). What they saw as the small size of the budget was clearly a major factor in their negative assessment. One official said, "They don't have enough money to do anything very useful."

The MoHA also alleged that LGSP's work is almost counter-productive in training on Permendagri 13 – "it is too creative" – that is, it imparts the wrong information and, in doing so, causes problems. We should note here that the team found that LGSP has put considerable effort into helping LGs understand and work with "Perm 13," as it is known. In site visits to localities, LGSP's help in understanding this regulation was given high marks. USAID staff indicated that they previously had met with MoHA/BAKD and, at that time, were told that LGSP training on financial management and accountability is in line with Perm 13 and other regulations.

LGSP has had difficulty balancing the amount of attention that it gives to Central Government, especially MoHA and Bappenas. Officials in both agencies felt that USAID and LGSP were not paying sufficient attention to their respective policies and priorities. For their part, both USAID and LGSP observe that it is challenging to deal with the two contending departments, while they try to navigate a course that accommodates the needs and desires of each one. The team observed a number of efforts made by USAID to improve relationships.

Sub-IR 4.1 National policies and implementing guidelines on decentralization based on local government experience

The evaluation team interprets the first performance indicator (in the table which follows) regarding regulations put in place as LGSP providing input into the fashioning of eight national level regulations. This appears to be an effective contribution for a relatively new initiative, but says nothing about the input that was provided being derived from local government experience or expressing the interests or concerns of local governments. The team learned that LGSP sometimes in cooperation with DRSP organized local level meetings with the purpose of collecting local input for national policy making. The team was told that some of this information had been considered at the national level but was unable to validate it.

By late 2007, LGSP also organized 12 forums to bring GoI and LGs together to exchange views. In the most recent quarterly report (April to June 2008), LGSP reported that it had carried out 15 such events at the national level.

The evaluation team found that LGSP has provided useful assistance to the national level in clarifying regulations for LG management. LGSP is considered by many in the donor community (GTZ, for example) to have a major role to play in solidifying the intergovernmental relationship as to LG management. LGSP has, in the words of a GTZ official, "opened some windows" at the central level, by helping enable the legal environment for sub national level fiscal activities.

LGSP has taken an increased interest in supporting decentralization implementation via the Capacity Building Technical Working Group (TWG), which is the GoI designee for allocating and directing donor activity and has made some inroads with it. The TWG is contemplating a Presidential Decree on Capacity Development for Decentralization which would give decentralization a boost and may protect it to some extent from bureaucratic foot-dragging and resistance.

LGSP has provided TA to the MoHA in the development of several decrees that have been enacted. Examples include:

- “Decree of Minister of Home Affairs on Guidelines for Monitoring and Evaluating Annual Multistakeholder Development Planning Forums (Musrenbang);”
- “Decree of Minister of Home Affairs on Guidelines for Assessing and Evaluating Medium-Term Regional Development Plans;” and
- “Circular Decree of Minister of Home Affairs on Guidelines for Annual Regional Development Plan Preparation.”

Ongoing TA to MoHA in the drafting of regulations includes the following new regulations:

- “Minister of Home Affairs Regulation (Permendagri) on Mechanism of Planning, Monitoring, and Evaluation of Regional Development Plans Implementation;” and
- “Minister of Home Affairs Regulation (Permendagri) on Kecamatan Planning.”

In addition to the planning regulations noted above, LGSP has provided support to: 1) the division of General Government Affairs (PUM) of MoHA in creating technical guidelines on local governments’ collaboration with third parties; and 2) MoHA’s Technical Working Group on the Government’s regulation on capacity building. Also, in preparation of the Development Planning, Regional Autonomy Law (# 32), LGSP, in cooperation with DRSP, convened stakeholder consultations through which local government and local civil society can provide input on key aspects of regulation to the MoHA and expert advisory groups. LGSP is also providing advice to the GoI on Regional Finance Regulations, local government service contracting, and the National Framework for Local Government Capacity Development.

Sub-IR 4.2 Strengthened national and local networks for training and information dissemination and

Sub-IR 4.3 Improved quality of service providers to deliver technical assistance to local governments

There are now 84 strategic partners that use/apply/adopt LGSP tools; this appears positive, although it amounts to an increase of only four partners in two years. It is possible that while LGSP did not increase the overall number, those partners made better use of the available tools in their provision of training and information. Private and public training partners have incorporated LGSP materials into their curricula.

Participants in LGSP training and TA were generally positive about the quality of expertise of local experts used in this way. The use of local service providers (Indonesian institutes, universities) and local trainers (i.e., from the district or city itself), using local examples and illustrations, even if not yet printed or appearing in documentary form, bolstered the quality, relevance, and enjoyment of training.

There are 13 service providers “contracted” to deliver TA to LGs. There is no baseline established (although this is probably zero) and no target set. “Contracting” in the team’s view is not equal to improvements in the quality of those service providers or the amount of TA rendered.

Calls for a merger of LGSP with USAID 's Democratic Reform Support Project²¹ or DRSP: There was some indication that the MoHA relies to some extent on the technical expertise of both GTZ and DRSP for help in interpreting the decentralization law but has less trust for LGSP despite the latter's meaningful experience at the district level. Some key interviewees suggested that a merger of LGSP and DRSP could help LGSP establish itself as a change agent for the MoHA both in capacity building and in national level policy development, leading to improvements in the decentralization laws. For example, LGSP has advised the GoI on the regional autonomy laws (Law 32) primarily in cooperation with DRSP. This has consisted of convening stakeholder consultations where local government and local civil society can provide input on key aspects of regulation to MoHA and expert advisory groups. LGSP is not, however, providing direct support to the working group on Regional Autonomy Laws. LGSP could, we believe, strengthen its role using its staff and other resources to work more closely with DRSP or to merge the two projects for effectiveness.

DRSP has provided major assistance in legislative drafting, and in other activities that have brought together stakeholders from the GoI, the media, and the private sector. DRSP has an established role in helping the GoI improve the legal and policy framework for decentralization to overcome remaining obstacles to decentralization. A donor representative interviewed by the team recommended this merger, based on the apparent need for donor involvement particularly in sorting out the role of provinces relative to the center and districts.

²¹ DRSP supports national policy development across a number of key democratic reforms, including decentralization.

TABLE 5: REPORTING ON PMP INDICATORS 2005-2007

	FY 2005 (# of LGs: 30)	FY 2006 (# of LGs: 57)		FY 2007 (# of LGs: 57)	
Intermediate Result	Base Line	Target	Actual	Target	Actual
IR 4: A more conducive enabling environment to sustain and improve effective decentralization					
Sub-IR 4.1: National policies and implementing guidelines on decentralization based on local government experiences					
Number of national policy interventions conducted with strategic partners	2	-	-	*	8
Number of forums that bring together Government of Indonesia and local governments to share experiences on decentralization	9	-	-	*	12
Sub-IR 4.2: Strengthened national and local networks for training and information dissemination					
Number of strategic patterns that use/apply/adopt LGSP tools and modules	80	-		*	84
Sub-IR 4.3: Improved quality of service providers to deliver technical assistance to local governments					
Number of service providers contracted by LGSP to deliver technical assistance to local governments	-	-	-	*	13

C. Higher Level Impact: Changes in Laws, Policies, Budgets, Plans, and Services

At this level, the team looked for the impact of improved governance processes. This discussion, possibly more than any other, is influenced by data limitations. It is also to be expected that there is a time lag for higher level impacts to manifest themselves; it may be early to look for such changes.

I. Distribution of Power

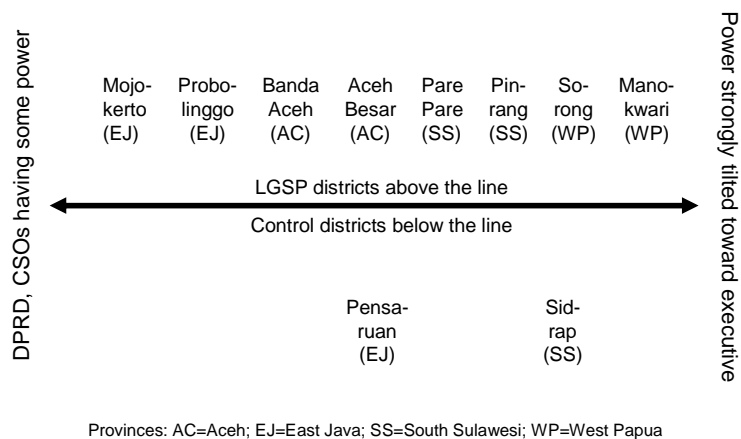
The “Local Governance Challenge” was fundamentally seen by LGSP as “Strengthening the nexus between local executive, legislative, citizens, and civil society.”²² In other words, the project has dual strategies: to fortify each of the three pillars individually; and to improve the linkages and synergies between them. If the local legislature can hold the executive more accountable, with the assistance of a civil society that reflects widespread citizen participation, then the local government executive will be able to more effectively deliver public services. One result of an approach that tried to bring the legislative and civil society pillars, hitherto the weaker partners in a system overwhelmingly dominated by the executive, more effectively into the public policy making arena in a serious way should be a greater sharing of power.

The ten district level units the team visited showed a wide range of power-sharing arrangements among the three LGSP pillar institutions, as indicated in Figure A below. The units are shown in a rank ordering moving from the left side (where the DPRD and CSOs have more influence with the executive) to the right side (where local governance appears to be almost exclusively an executive preserve). The presentation here is necessarily rough, given the sample size and serious data limitations, but the team believes it reflects the quite substantial differences among the places we visited.²³ Evidence to support these findings is given in the above sections discussing the IRs. Here the team only discusses the broader finding and its import.

²² See Appendix D.

²³ It should be noted that the spectrum in Figure A is only a rank ordering of our ten units; it is not intended as any kind of interval ranking. That is, there is no intent to imply a quantitative ranking, such that Aceh Besar is X percent ahead of Parepare, etc. Also, it should be observed that the two sets of districts visited by our two sub-teams appear on the two sides of Figure A’s spectrum; there is no overlap between their observations. Nonetheless, we feel that the distribution shown in the Figure reflects the actual pattern we found on the ground.

Figure A.
Spreading power among the three LGSP pillars
in an evaluational sample



30

In the more advanced areas (left side of Figure A), DPRDs used their LGSP training to take an active role in scrutinizing and asking for changes in plans and budgets submitted by the executive branch, rather than simply rubber-stamping them as had been their practice previously. Earlier (between the decentralization law's introduction in 1999 and its revision in 2004), an "active" DPRD had been one which threatened to hold up the budget or even to unseat the bupati/wali kota if its members were not accommodated with various patronage requests. In the more advanced localities the team visited, the DPRD was now beginning to affect changes in plans and budgets. Although with one exception they were not as active as the DPRDs, CSOs in the areas noted on the left hand side of Figure A also took a more active role, working in some cases through what had become institutionalized structures to interact with DPRD members. In other areas, they worked with the media to pursue stories exposing corruption.

Toward the right side of Figure A's spectrum, DPRD members appeared to have little impact on the executive, expressing frustration at losing their power to impeach the bupati/wali kota (the result of the 2004 decentralization law) and feeling themselves further marginalized by this change. CSOs did not see themselves as having much influence with the Executive either. Officials in the executive branch had little use or respect for either DPRDs or CSOs in West Papua, a distinct contrast with their counterparts in East Java and Aceh, who tended to see DPRDs, and to a lesser extent CSOs, more as partners in local governance (though still definitely junior partners), as will be explained below.

As for the non-LGSP districts visited, Pasuran appeared not too different from the two LGSP East Java districts visited in terms of technical knowledge, but the DPRD and CSOs were considerably behind as actors in the policy process. In Sidrap, the team's control site in South Sulawesi, executive dominance seemed even greater.

In sum, the team observed some change in the distribution of power at one end of the spectrum, while at the other end it appeared that the executive continued very much in monolithic command of local governance. In East Java, political power had come to be shared among a wider circle of players than previously, though any assertion of equal standing among the three pillars would be going too far. In Aceh, the DPRD was beginning to make some inroads into executive power. In one of South Sulawesi's jurisdictions, much the same could be said, while in the other, the executive continued as by far the dominant player. In the control site, much less, if any, progress had been made. And finally, in the

West Papua sites visited, there was little power sharing. The West Papua sites are of course newer, and there has been less time for assistance to produce change.

Initial advantages could explain the different findings depicted in Figure A. For example, the public policy arena in Mojokerto (the most advanced on the spectrum) could have had a head start over the others, which could account for its being most advanced after a couple of years of LGSP assistance. That there is some merit in such an idea can be seen in Table 6, which shows findings of LGSP's 2006 Good Governance Index for six of the eight sites visited.²⁴ The two East Java units rank first and second in both the Index and the Figure A spectrum. However, the other four show rather different rankings on the two measures. These should be treated as suggestive rather than formal findings but at least they imply that the *ex ante* position in 2006 by itself cannot explain more than a part of our 2008 findings. We believe that LGSP can claim some credit for at least some of the progress made over the intervening two years.

TABLE 6: LOCAL GOVERNANCE UNITS VISITED AND THE LGSP GOOD GOVERNANCE INDEX, 2006

District visited	Participation (10 items)	Transparency (3 items)	Accountability (2 items)	Professionalism (1 item)	Good Governance Index	Good Gov Index Rank	Spectrum rank (Figure A)
Mojokerto Kota	2.53	2.61	3.70	3.12	2.99	1	1
Probolinggo Kab	2.14	2.82	2.69	3.01	2.67	2	2
Banda Aceh Kota	2.29	2.64	2.43	2.66	2.51	5	3
Aceh Besar Kab	1.83	2.11	1.07	2.57	1.89	6	4
ParePare Kota	2.00	2.80	2.93	2.70	2.61	3	5
Pirang Kab	2.11	2.63	2.74	2.89	2.59	4	6

Note: See Appendix G. Average scores are shown for each category (e.g., for Mojokerto on Participation, 2.53 is the average of the ten items used to make up the category). The "Good Governance Index" in the sixth column is the average of the four category scores (an average of the averages).

2. Changes in Laws, Policies, and the Substance of Budgets and Plans

The changes in national level guidelines to help make local governance more effective (discussed more fully under the section addressing IR 4) constitute important impacts. It is too soon, however, to assess the extent of implementation of these guidelines.

The team found a few examples of useful changes in local level regulations or ordinances, such as a regulation defining the organization and administration of the education function (Parepare), while in Probolinggo the DPRD initiated four district level regulations of a similar sort.

The Mojokerto DPRD, in a sign of asserting its preferences and rights to affect budget priorities, used its budgetary skills to shift funding from a youth program to the health sector.

LGSP media training, notably in investigative reporting, also appeared to have achieved some concrete results. Several respondents mentioned stories they had written using what they had learned from LGSP training. In Pare Pare, for example, the print media investigated and reported on DPRD members illegally

²⁴ No applications were conducted in West Papua, which was brought into LGSP only in July 2007. It should be noted that this Good Governance Index is an altogether different measure from the Good Governance Index devised through LGSP's Good Governance Assessment Tool, even though both have the same names. As mentioned above in this report, the latter index included only one of the sites the team visited.

raising their accommodation allowances, and another on an official who was illicitly taking money in return for land allocations. Both reports led to legal and administrative follow-up. In Probolinggo, reporters uncovered and reported on an extortion scheme in the office issuing drivers' licenses. This led to a reform of the office, though the reform turned out to be short-lived.

3. Service Provision

During site visits, the team investigated and found the following achievements that might be classified as modest service delivery level impacts which are attributable in some way to LGSP:

Aceh province launched a complaints center which incorporates a new process for handling and resolving complaints in a systematic and highly responsive way in Aceh Jaya, and is in the process of starting three additional centers in other districts. Regulations were drafted to provide the legal foundation for these centers. The centers are described in more detail in the section below that addresses findings in Aceh, which the team was asked to address separately in the evaluation.

In Pinrang the team visited and asked detailed questions about a complaints center, which was described by local officials in positive terms as a place to bring service complaints, and also as a multi-purpose LG outreach center for obtaining information on services. When the team arrived at the center, we found it empty, and no staff appeared to speak with us. On the day we visited, no one could produce any data on visits and complaint resolution. The best we could learn was that a SIAP process had led to a decision to have such a complaints center devoted to health concerns. The mayor then decided to expand the center to include all concerns; and LGSP had helped him explain to the public why this was a sound move.

Increases in LG appropriations to cover hospital costs for the uninsured poor were found in two locations (Pinrang and Pare Pare). In Pinrang the team found 2009 budget plans for a free medical services initiative funded at 7 billion Rs, with 60% coming from the kabupaten and 40% from the province for the 2009 budget at 7 billion Rs.

The evaluation team was also asked to try and assess the synergy between LGSP and other USAID sectoral programs. Jurisdictions were chosen for Batch 2 because other USAID projects (particularly health and education) were located in those areas. There are about 15 districts where this overlap is occurring. For health, there are currently three districts where practical cooperation is taking place. LGSP has provided training and TA to Health Services Program (HSP) personnel (on topics such as planning and prioritization, legal drafting, performance improvement, participatory methods) and worked with HSP on a toolkit for the Management of Health Services. It also worked with those three District Health Offices on budget policy and the annual plan and budget for health services. HSP/LGSP joint training at the district health offices in particular, supplements the Ministry of Health training for district MoH staff. For example, the District Team Problem Solving (DTPS) methodology for annual planning in maternal and child care facilities provides direct benefits to local service delivery. Moreover, DTPS has been incorporated into the Musrenbang process via LGSP efforts, from the village level upward, according to DHS staff. LGSP has played an important role in providing training for trainers, primarily via NGOs, in the local health care provision area.

The team asked for examples of practical synergy at every site visited and found two examples of this situation. In one case, in Pinrang, South Sulawesi, the local director of the USAID project, a

Decentralized Basic Education (DBE) project, was very positive about the cooperation between the two programs and about the results. She provided clear examples: in one case the project engaged effectively in an advocacy exercise on basic education and this was eased by relying on LGSP's list of contacts and help with making contact with decision-makers, as well as the fact that the local council was more open than it had been to taking account of community input. She also noted that the project was about to

expand from two to 12 sub-districts, and this too was being facilitated by LGSP. She mentioned that in the local community, some people thought they were the same project. The team noted that both projects were being managed by the same contractor so it is understandable that the two were conflated in the minds of local citizens..

In the second example, in Kota Mojokerto, East Java, the LGSP District Coordinator sought cooperation with USAID's DBE program to draft the legal documents required for passage of an education regulation by the DPRD of the Kota. LGSP provided legal drafting skills and DBE technical input into the regulation, which the DPRD passed in September 2007.

In comparing Batch 1, Batch 2 and untreated jurisdictions using World Bank citizen survey data from 2006, one interesting and significant difference popped up. In Batch 1 jurisdictions 83% of citizens thought that the condition of school buildings and equipment had improved in the previous two years while 78% of Batch 2 jurisdictions and only 78% of untreated jurisdictions thought so. The team is not clear that this result can be tied to USAID assistance, particularly since project efforts had been in place for 15 months in Batch 1 districts and three months in Batch 2 districts.

D. Differences between LGSP Jurisdictions and between LGSP and Non-LGSP Jurisdictions

a. Between LGSP and non-LGSP jurisdictions

The earlier discussion on data limitations noted that because of field time constraints, the evaluation team visited only two non-LGSP LGs for purposes of comparison; each sub-team visited one LG. One LG was performing reasonably well and the other was not.

The team in South Sulawesi visited two LGSP sites and one non-LGSP site. As could be expected, there were other relevant differences that distinguished the untreated from the two treated sites, in addition to the absence of LGSP: notably, the comparison site was rural, there was considerably less donor activity, there was an almost complete absence of civil society, and the political parties appeared to exert even more than usual control over local decision-making. It is not easy to quantify differences that might be due to the presence or absence of the project given the number of variables that might be involved. However, the team believes it found some differences. The comparison LG had produced its most recent annual budget as expeditiously as the two LGSP sites. However, there appeared to be a lack of anything novel happening in the council. There was little interest in new projects or the team heard complaints from a group that included the Kabupaten Sekda (or chief administrative officer, DPRD members, and the Bappeda representative that they were dependent on the government for training, the quality of the training was not good, and they had to pay for the training. There was also no interest in initiating or enhancing participatory processes.

The other sub-team found a less clear difference from target jurisdictions based on its visit to Kabupaten Pasuruan in East Java. This reflects the fact that the comparison site took the initiative, on its own to obtain advice and training from local non-governmental and governmental agencies. This Kabupaten submitted its budget in time, and the LG and DPRD arranged for technical assistance from the University of Brawijaya Malang in finalizing its budget and help from the State Monitoring Board in developing its annual midterm and long-term plans. Civil society was said to be active. The media reported on a regular basis on local government issues and was considered to be fair-minded printing both critical and supportive articles. This would indicate not so much that LGSP does not make a difference, but that LGs (in Java at least) are able to build their own capacity and make progress without LGSP if they are inclined to do so.

This question of comparison is of course a very important one in the evaluation process. It essentially is asking if improvements or changes in LGSP jurisdictions can be attributed (at all or primarily) to LGSP. We took our research efforts beyond the two site visits and made an effort in Jakarta to see if we could find outside/objective data of a quantitative nature that could be of use in determining our response. As observed in our discussion of data availability, there was little of this kind of material

b) Differences between the target provinces

Level of Activity: There are clearly different activity levels among the various provinces in which LGSP works, but this is tied partly to the number of target jurisdictions in each province. That number varies from five in West Papua to 12 in Aceh. The *LGSP Quarterly Report*, April-June 2008, Annex 3, Training and Capacity Building, records the number of events in the still participating provinces as follows:

Table 7: Events by Province, April-June 2008	
Province	# of Events
National	15
N. Sumatra	57
S. Sulawesi	50
C. Java	54
E. Java	58
Aceh	72
W. Papua	16
TOTAL	322

The established provinces are working at more or less the same level of intensity. Of the new ones, Aceh is as active as the established ones, while West Papua is moving slowly, with fewer events per target district. Efforts are of course most recent in West Papua.

Musrenbang Process: LGSP's Musrenbang study assessed the performance according to specific elements of the process of 24 selected LGSP jurisdictions (West Papua was not included in this Musrenbang study). The report presented figures, but not supporting analysis, for the performance of different jurisdictions. On overall scores, these vary quite substantially from a low of 47.90 in Kab Bireun to a high of 88.25 in Kota Batu. The study does not discuss why there were such differences in performance. Overall, the jurisdictions in Java and Sulawesi did better with the Musrenbang process than Aceh and West Papua, as Table 8 below suggests, but the point spread is very small. However, the sample of East Java, South Sulawesi and Aceh jurisdictions was much larger so the average scores for these three are more meaningful.

TABLE 8: MUSRENBANG PROCESS RATINGS BY PROVINCE

Province	Table 1: Observation	Table 4: Preparation	Table 6: Quality of Implementation	Table 7: Implementation Results	Table 9: Post-Musrenbang Implementation	Provincial Average
Aceh	66.39	68.84	65.82	66.11	66.67	66.77
North Sumatra	70.03	73.91	69.49	77.78	42.86	68.53
Central Java	73.95	76.09	75.43	71.67	64.29	72.28
East Java	70.91	64.13	75.21	68.75	75.51	70.78
South Sulawesi	68.57	74.02	67.09	65.91	75.22	70.16

Scores for the sites the team visited fell within a narrower range:

Scores for the sites the team visited fell within a narrower range:

Kota Pare Pare in South Sulawesi	77.82
Kab Probolinggo in East Java	78.15
Kab Banda Aceh in Aceh	73.11
Kab Aceh Basar in Aceh	69.75

With respect to progress with SIAPs, representative scores recorded in LGSP's *SIAP Effectiveness Appraisal 2008* vary as follows (note: the maximum score is 20 points, based on criteria of preparation, management, access, transparency, and accountability), with North Sumatra, and West and East Java clearly ahead:

TABLE 9: AVERAGE SIAP SCORES

Province	Average score for SIAPs in the province
Nanggroe Aceh Darussalam	9.36 out of 20 points
North Sumatra	15.63
Central Java	14.57
East Java	14.78
South Sulawesi	10.76

North Sumatra and Central Java had more consistent scores across SIAPs. East Java jurisdictions showed high variability in scores. The appraisal does not suggest factors that might explain the differences, though based on levels of development, it might be expected that Java would outperform Aceh. The SIAP process is also newer in Aceh.

The team's project sites show a more mixed picture, from which little can be concluded, as Table 10 shows.

**TABLE 10: SIAP RATINGS FOR JURISDICTIONS VISITED
BY THE EVALUATION TEAM²⁵**

Province	Average score for SIAPs at visited sites
Kabupaten Aceh Besar, Aceh	5.63 out of 20 points
Kota Banda Aceh, Aceh	New; no rating in the appraisal
Kabupaten Probolinggo, East Java	15.80
Kota Mojokerto, East Java	15.43
Kabupaten Pinrang, South Sulawesi	17.50
Kota Parepare, South Sulawesi	9.60

Based on the team's limited number of site visits, the team is probably not in a position to add much to this exploration of differences between the provinces. From our small sample, the team can say with confidence that the provinces and regions are performing differently. West Papua appears to be struggling. Aceh seems to be moving quickly to make up for being new to the program. South Sulawesi and East Java appear to be making reasonable progress. We know that West and Central Java are more highly developed in general and performing more effectively and that is partly why the team did not visit them.

Based on the tables and our interviews, we suggest likely factors contributing to different degrees of success among the LGSP regions:

²⁵ Source: "SIAP Effectiveness Appraisal 2008: Preliminary Results"; best possible score is 20.

- Level of economic and social development;
- Education level of the public;
- The Governor's and mayor's level of support for or opposition to LGSP;
- The Governor's and mayor's level of commitment or opposition to participation, transparency and increased efficiency;
- The leadership, strength, capacity of the LG Secretary (Sekretaris), the head of the LG civil service, and his orientation toward the work of the LGSP;
- The capacity and attitude toward the DPRD of the Secretary of the DPRD (Sekwan) given that he is appointed by, and responsible not to DPRD, but to the Sekretaris;
- The focus, attitudes, and skills of the DPRD leadership (a critical mass, even a minority, can make a difference);
- The local political party dynamics including local-national level party relationships, and party-CSO relationships;
- The nature and capacity of civil society, and the more effective CSOs;
- The role of other previous or current donor local government support projects; e.g., the World Bank, GTZ, and USAID's PERFORM;
- The dynamism and capabilities of the LGSP coordinators and technical specialists;
- The length of time the jurisdiction has been working with the project;
- The role of the media in supporting the goals of the program; and
- The ease or difficulty of access, transport, and communication.

V. CONCLUSIONS

A. The training and TA were well received by participants in the three pillars

The majority of interviewees who had taken part in training programs were positive about the training and what they learned in the workshops. They indicated that they had been able to use to new skills and knowledge. Most respondents also cited a satisfactory level of follow up to the training by LGSP staff.

There were, however, specific criticisms that have been mentioned in detail in this report that need LGSP attention. These include: inappropriate timing of workshops, lack of local specificity and examples in the training materials, workshop content that was either below or above the level of experience of the participants, lack of local resource people, uneven distribution of materials, and lack of follow-up to

support a process that has commenced under LGSP guidance. It was not clear that LGSP has been sufficiently responsive to these concerns.

These complaints pointed to small flaws in a large panoply of activities. It would be surprising if there was no sign of dissatisfaction from any quarter. Indeed, if that were the case, an evaluator should be

suspicious that respondents were only saying what they thought the questioner wanted to hear. The fact that the team did hear some complaints like these is an indication (though not proof, admittedly) that respondents were being honest. The team did not consider these remarks to be indicative of an unsatisfactory program. In several sites, LG officials said that the training topics were most often decided by LGSP without consulting with the local governments or civil society. LGSP told the team that there is an ongoing consultation prior to any training being scheduled. That consultation takes place with top leadership and does not necessarily involve rank and file bureaucrats or all DPRD members.

LGSP needs to conduct more formal monitoring of training programs and follow-up of participants. Once it collects these data, it should analyze them by jurisdiction and type of training.

B. LGSP's Comprehensive Approach has disadvantages but the advantages outweigh the risks

The team was asked to investigate and comment on LGSP's comprehensive approach to supporting decentralized governance. It was also asked to comment on the continued inclusion of DPRD's – "given their inherent or historic weakness" – in the program. We saw the two questions as closely interconnected.

We observed some risks and disadvantages:

First, there is the challenge of the weakest "pillar" slowing or preventing progress. The weak pillar is often assumed to be the DPRD, but the team also observed situations where CSOs or the public sector was less effective or less coherently organized. And while the executive is unlikely to be the weakest party out of the three, it may certainly be the most opposed to the directions in which LGSP wishes to go in terms of greater transparency, openness and responsiveness. The comprehensive approach requires that for "better or worse" the project needs to work with all three legs (and also the media). This does mean that where one of the three is either weak or opposed to project objectives, it can delay progress, slowing the provision of benefits to the public. However, working with the Executive on efficiency/effectiveness gains at the cost of the accountability and participation gains secured by working with the two weaker legs does not appear to be a satisfactory alternative.

Further, disagreement between the three pillars is not necessarily a bad thing. While collaboration eases the conduct of public business, policy is not always best determined by cooperative consensus. Collaboration can turn into collusion at the expense of the public interest or even corruption. A DPRD and civil society that is busy cooperating with the executive may find it difficult to exercise the monitoring and watchdog role that is needed to check potential excesses in government. The team did, for instance, hear comments in Pinrang that the CSOs had become "too cozy" with the local government. In some situations, the two lesser players can be co-opted and then they become agents of the more powerful player in the triumvirate, following the guidance of the executive in return for a minor role in the proceedings. The DPRD and civil society are supposed to represent the interests of their electorates and constituencies, after all, which may well not be the same as the interests of the executive; this means debate, dispute, and even contention, as well as compromise and collaboration. We did see evidence of DPRD's and CSOs willing to dispute the executive, which was judged to be a good sign; the challenge is to encourage compromise so that the business of governing gets done and public welfare is upheld. Governance at local level has drifted away from an appropriate balance repeatedly around the globe, and there is no reason to believe that Indonesia's kota and kabupaten will be able to evade a similar fate without a great deal of attention to the watchdog functions of DPRD's and CSOs, buttressed by the media.

Another way to look at this issue is to recall that elite capture has historically been one of the two abiding dangers facing any attempt at democratic decentralization.²⁶ Time and again, decentralization initiatives have run aground as local elites have managed to take over the management of local government units to steer public resources to their own benefit. In Indonesia, the relevant local elites are the civil service professionals, elected DPRD members and their party leadership, and many if not all prominent CSO leaders. Will they be able to check each other in the public interest or will they succumb to the temptation to collude to their own gain at the expense of the public benefit? Will marginal constituencies, especially the poor, get frozen out altogether? The LGSP approach offers a way to bolster the checks, but by promoting cooperation among the main players that very approach also provides a path to undermining those checks. This central paradox of politics is present here as well as in all other political systems.

The team certainly met with DPRD members who complained of being marginalized and also met individuals who criticized the work of DPRDs. However, LGSP-assisted DPRDs are holding more open meetings than before, indicating a greater willingness to engage with the public; and we found that in the most advanced districts we visited, the DPRD has begun to push back against the executive in planning and budget matters and in a few instances to initiate legislation by itself. CSOs, we need to keep in mind, are not elected, while DPRDs are. The accountability of CSOs to their members and public is uneven. Their focus, too, is and is intended to be on one topic or one group of topics. DPRDs have a broader role and are intended to represent the whole community. They also can be, and frequently are, denied reelection. The team sees the DPRD as a central an essential component in seeking to enhance local democratic processes.

The LGSP comprehensive approach also presents smaller paradoxes and contradictions. The three pillars have collaborated in helping the Musrenbang process develop into a more effective instrument for eliciting public preferences and prioritizing them to become an input into the policy dialogue. But when these preferences, however well prioritized, must fit into the Midterm Plan, many of those who participated are going to be disappointed in the outcome. To a certain extent, such disappointment is part of the democratic process, of course; public policy making is in a very real way the art of allocating scarce resources to address plentiful needs. But it is possible that the promotion and enthusiasm surrounding the Musrenbang process may generate unfilled expectations and thereby discourage participants from returning to next year's round.

LGSP has demonstrated that its three-pillar approach to supporting democratic decentralization can produce changes in governance processes and provide DPRDs and citizens in some jurisdictions more say in decision making. In some locations, the Musrenbang process has introduced more participation with the help of DPRDs and CSOs, and in a few sites the DPRDs have pressed the executive to become more open and accountable, and the executive itself has grown to be more effective in its planning and budgeting activities. These developments were not universal in the places the team visited; in some areas there were no signs of them. But where they did occur, they benefited from attention being given to all three pillars. Facilitating this power sharing has been a greater mutual understanding fostered by LGSP between the pillar institutions, often through workshops attended by members of the different pillars, who began to develop a sense of cooperation and involvement in a common purpose. The collaboration thus induced has made it easier for these three quite different institutions with their different orientations, career paths, and constituencies to work together.

Training representatives of the three pillars together worked where the pillars needed to build a common understanding and vision, and needed time to get to know each other and work together. A number of

²⁶ The other has been an unwillingness by the central government to devolve any real power and authority downward or to recentralize after an initial devolution. There are many analyses of these two destructive tendencies, e.g., Blair (2000), Manor (1999).

interviewees, notably DPRD members, made this point. An example of inter-pillar cooperation can be found in Mojokerto. There, the DPRD and the Civil Society Forum meet regularly to exchange views. The LGSP role has been more that of facilitator than trainer, in the form of an energetic district coordinator, but the impact has been significant, in that the DPRD and CSO group have come together to make a common front vis-à-vis the executive, which initially had little use for either institution. In short, the LGSP approach enabled the two weaker pillars to work together to deal with the stronger one.

Working with the three pillars and also the media can be helpful. Training in investigative journalism and media ethics have been effective (possibly more so than the project anticipated) not only in leading to some good work by the media on local cases of corruption, but also in backing up CSO and DPRD work in their watchdog roles.

As reported earlier in discussing training, the team heard from the majority of people who commented on this topic that training should be joint. In their minds this would help to give participants a common experience and an opportunity to cooperate and lead similar understandings of method and tools and even a common vision. There are situations, too, where training the CSOs and DPRD members together and helping build a potential alliance has enabled the two to challenge the executive branch more effectively than each would have been able to alone.

One disadvantage and potential constraint on impact has been that LGSP has had to adapt to the fairly substantial program changes that were requested by USAID. This established some need to focus heavily on inputs and outputs because it was required at a number of points to begin again, e.g., working in newly designated provinces, discontinuing in old provinces, ending the media training, adding the focus on the national level/enabling environment, and closing down some promising programs that might have yielded particularly robust results.

Another more significant disadvantage lies in LGSP's wide programmatic coverage and breadth. In offering training to these 70-odd kota and kabupaten, often using the same provider to move around a given province, LGSP has been able to assure people in all the units received similar essentials. This seemed sound practice to the team. But it has also created some complaints (reported on above) from our respondents that the scheduling was too rigid, that the program was spread too thinly, that the case studies were too generic, and that the one-size-fits-all modules used in some topics (especially financial management) were too complex for some trainees while at the same time too simple for others. In Aceh Province the local office was larger and resources more ample to deal with the five LGSP districts and the six added World Bank-funded local target jurisdictions, which likely explains the absence of criticism heard there. At the other end of the country, West Papua's remoteness appeared to intensify the complaints the team confronted in visiting our sample localities in that province.

C. LGSP has led to changes in democratic governance processes but it is less easy to determine the extent to which changed processes affected decisions

In terms of the focus on governing processes that came to be main objective set for LGSP, the program appears to be making headway. LGSP did in many places change attitudes and processes in a positive manner. Informants used terms such as "our eyes were opened," "we have more confidence," "[DPRD members] have more confidence," or the public is more willing to participate or speak or complain. This has led to improved, more effective, and more inclusive processes. In some of the localities visited, LGSP had a significant impact in strengthening DPRD members, and to a lesser extent CSOs, to the point where they were able to begin to check the traditional executive dominance of local governance. Local government's accountability to the citizenry's elected representatives and civil society organizations thus increased. By enlarging the circle of significant players, CSOs, citizens, the media, as well as DPRD members and

members of the Executive in the local political arena, LGSP has begun to enhance communication, transparency and responsiveness among local government institutions.

When the local level leadership is favorably disposed toward increased participation and transparency, the program obviously works more effectively. It is unclear whether much progress has been made where the local leadership is determined to hold on to power and remains uncommitted. In these circumstances we found that it is possible that LGSP may end up supporting the mayor's rather than the community's agenda. The team found progressive Mayors and District Executives willing to work in a more participatory manner, but concluded that what they had "given," they or their successors could easily "take away."

It was not always easy to determine the quality of the improved governing processes. There appeared to be a substantial consensus among local officials, legislators and NGOs in many jurisdictions that Midterm Plans had improved in quality. The Musrenbang process also draws good marks in many LGs.

It was more difficult to determine the actual results of improved processes (more pro-poor budgets and the like), though there clearly are examples (e.g., health budgets increasing in jurisdictions where LGSP and USAID's health program worked), because little tracking at that level is being undertaken by LGSP. The evaluation team found some examples in its field work and found that in some jurisdictions DPRD legislators and civil society members felt that they had more influence on executive decisions and were more respected by executive officials. Well-timed legislative strengthening training and follow-up TA activities were reported by those interviewed to have been helpful in some jurisdictions in assisting DPRDs to influence executive decisions. There were fewer examples and less consensus that NGO, legislator and citizen input had influenced significantly the contents of these plans, largely because the plans are constrained by parameters set at the center.

None of the performance indicators strive to capture changes in power distribution; e.g. DPRD influence over legislation, or Musrenbang process requests that find their way into a budget. And while the team found encouraging early examples of challenges to the executive, it was pointed out numerous times by all categories of interviewees, even in areas where progress was observed, that the executive branch retained preponderant and final power. The team was told that while more questions were being asked (e.g., in the legislature), the executive would generally get its way. While there was greater input from below through the Musrenbang process, in the end, the Mayor's plan (as constrained by the executive) trumps community aspirations, and there was uncertainty about how much of the community's wishes actually got through into the final budget. Where the Executive was not well disposed to the aims of the project, it was able to block a widening of participation or increasing transparency; e.g., denying access to documents.

D. There is not much evidence of an effect on the delivery of services

We noted in the earlier discussion on data availability that at the outset of the project there appeared to have been some interest in securing and measuring an impact on service provision or at least on citizen perception of services. The deletion of this measures at the SO level suggests that the project reconsidered its level of ambition given the low starting point in many jurisdictions and focused in the end on processes not services. The evaluation SOW did, however, include a request to assess project impact on services delivery.

The team observed (despite a widely cast net) few tangible effects on service delivery that could be attributed solely, primarily, or partially to LGSP, and which also make a direct and significant impact on the delivery of services to end users. The team's overarching conclusion is that while we found improved planning and budgeting processes that have been assisted by LGSP, and we heard, and believed, that new

tools and skills have been put in place for better and more participatory decision making, we did not observe tangible effects, noticeably improvements in service delivery.

The team also found that the project was not monitoring impact in terms of service delivery, and not tracking attribution carefully. Therefore, even where there may have been impacts, it was not in a position to provide convincing evidence or even success stories of change in services linked directly to LGSP.

It is still early to expect clear changes at this level.

E. A concern about LGSP's narrowly focused efforts on civil society

LGSP's focus on the processes and mechanisms of local governance included a particular concept of "civil society" as the third LGSP pillar. In LGSP, civil society and CSOs are in effect considered a project component insofar as they can involve themselves in the Musrenbang process and work with the DPRDs on planning and budget issues. This makes sense in terms of the project itself and its purpose, but it also makes for a distinct contrast with most civil society support initiatives elsewhere, whether at local or national levels and whether sponsored by USAID or other donors. Typically, such projects focus on CSO organization and development, service provision, sustainability, and especially advocacy.²⁷ These components did not receive much attention from LGSP, though it is true that some organizational and advocacy training were provided in 2006. There was a significant focus on CSOs as an actor working with DPRDs and the executive branch to formulate plans, budgets, regulations and the like. Certainly these activities provided some scope for policy advocacy. CSOs could (and did) urge that some policy initiatives be included in municipal regulations or that certain preferences be accommodated within the priorities set by the Musrenbang process, but this was primarily on their own initiative. In other words, LGSP did include civil society as a project component, but it did so using a narrow interpretation of civil society's functions and accordingly provided support for quite a restricted range of CSO activities. The team recognizes that even as multifaceted a project as LGSP cannot bring everything into its ambit, but we wished to take note of the effects of relying on this specific concept of civil society. We also believe that a stronger focus on local interest groups was merited.

F. Effects at the National Level

LGSP has only recently begun working at the national level and has had an impact on some guidelines that have been released. The project might not find it easy to have a substantial impact at this level. The key national ministries (and more so MoHA) did not appear to be entirely satisfied with LGSP's contributions at the national level, though USAID and LGSP staff had worked very hard to make them so. There may be several reasons for this:

- The views of the particular GoI officials interviewed by the team;
- The project getting off to a less than optimal start with key GoI bureaucracies;
- GoI intra-bureaucratic conflict;
- Disappointment with what was considered to be a very small USAID investment; and/or
- Wanting a larger share of the LGSP budget spent at the center.

²⁷ For a good account of what USAID generally includes within the rubric of civil society, see the E&E Bureau's annual series of reports entitled *The NGO Sustainability Index for Central and Eastern Europe and Eurasia*.

The national level is important. The team agrees with the DG Assessment team that until the decentralization policy framework becomes clear and has the full support of the key central ministries, all efforts at the local level will be constrained and will not produce the impact that they might in a better policy environment. LGSP's contribution in advising or facilitating communication about national regulations and policies is worthwhile and is making some progress.

G. Effects on Sustainability

The effort to strengthen local training and TA providers is a promising approach that will help ensure the sustainability of project efforts.

The team did not find evidence of a wholesale adoption of LGSP curricula at the local level, although local governments had participated financially in sponsoring LGSP programs. LG respondents, however, did cite some concrete examples of measures they had taken to continue with LGSP-like activities beyond LGSP's lifespan. These included two funding commitments by LGs to set up centralized training units; LG adoption of methodologies in planning and budgeting, anti-corruption and procurement, and regulations; bylaws to organize and codify service delivery functions; and some examples of LGSP trainees returning and sharing their learning with colleagues. The team also concluded that cooperation with and use of local service providers and the adoption by local networks of LGSP tools were promising steps toward the continuation of some aspects of LGSP work.

The team felt it had insufficient evidence to assess likely sustainability. But if the question being asked is whether the inputs (i.e., training and TA) and the early signs of improved governing processes would continue if LGSP ended when scheduled, the team has some doubts that they would. In most places, there does not yet appear to be the political commitment to persevere without a donor or the resources to continue; and in others (including at the national level) the team found a sense of dependency on donors.

H. There was not adequate consistency in the measurement of outcomes and impacts and there were too few attempts to measure the quality of changes over time

One of the team's main conclusions is that poor measurement of the changes to which LGSP activities contributed made answering the evaluation questions very challenging. Decisions made either at the time of project design or in the early days of implementation failed to direct the project towards tracking tangible impacts at a higher level than the processes that were the focus of activities. There was a lack of attention to changes that results from improved processes to determine if those processes were producing gains for citizens, to measures that might capture a more equitable distribution of power and to improved services which would directly benefit the public. There was also inadequate attention to capturing the quality of those processes and participation in them. The quality of complex processes that involve multiple stakeholders and go on throughout time is difficult to measure and to summarize. LGSP tried to tackle this problem through interesting approaches such as the LGAT and the Musrenbang scoring system, but many of the performance indicators are thinly defined and less than helpful in determining progress. In addition, new more nuanced measurement instruments were adopted, altered and dropped only to be replaced with a different tool on several occasions, making very difficult to assess change over time. The earlier discussion on data limitations addresses some of these problems in detail.

VI. RECOMMENDATIONS

A. USAID: Recommendations for a Future Project

Those headings marked below with an asterisk (*) are also relevant to the final year of LGSP.

1. Continue with support to decentralization*

Decentralization in Indonesia is far more than a program or even significant initiative. It is core to all government activities; it can ensure better decisions that are more responsive to the needs of citizens are made and it can enhance the quality of democracy by ensuring a broader distribution of power. Therefore, the team believes that USAID should continue to be active in this arena. The processes involved in decentralization in Indonesia appear to have reached an unsatisfactory stage of uncertainty, and perhaps even contradiction. The GoI needs the help of donors. Further, USAID should continue to operate at both central and local levels. Central government actors including Bappenas, MoHA, and the Ministry of Finance are keys to the progress made, as also to many of the problems experienced, and to the continuing confusion. USAID's sustained experience at this level bolsters its legitimacy at the policy level insofar as it is in a position to incorporate practical lessons learned. Therefore, USAID should continue to assist at both levels. The 2008 USAID DG Assessment, referred to above, strongly supports this recommendation.

2. Design a smaller, more focused project

Given the size of Indonesia and the complexity of the challenges it faces, projects may need to be designed on a scale that is grander than in many other parts of the world. Nevertheless, the team believes that this project is too large, and, at a total cost of \$61.87 million, currently too expensive for its likely yield, to be continued on this scale. As we have noted, the project has made progress under the terms set by USAID; yet it (and its predecessor projects) has not made the impact that would justify this level of investment again. Therefore, we recommend the design of a substantially smaller project, emphasizing quality of program and results rather than quantity and outputs, at possibly half the investment, and concentrating on a smaller number of jurisdictions, clustered in a couple of provinces, would be appropriate to achieve the purposes and impacts sought below.

Taking account of the communication and transport challenges, and the very wide spans of supervision, we also recommend giving consideration to the possibility of a new, less centralized program structure; possibly more than one project with at least one of the headquarters located outside of Jakarta and closer to the work of partner jurisdictions.

One idea would be to focus a new project on one province or no more than two. It would be ideal to choose two provinces closer to each other if they are to be under the “roof” of the same management. This would allow fuller coverage of districts within a given province, more attention to “scaling up” good practices,²⁸ and a greater focus at the provincial level and on how provincial government and the respective district governments relate to each other. It may also enable the project to reduce the large expatriate staff.

The project might then be able to provide more tailored training and TA that would address some of the complaints the team heard about lack of consistent provision of training materials and boilerplate training courses not taking adequate account of the level of knowledge or needs of some participants. It would

²⁸ A useful framework for scaling up, developed by MSI at the request of the MacArthur Foundation, has been sent to the Mission.

also permit more attention to developing the skills of local institutional providers of TA and trainer as a mechanism to ensure sustainability.

An effort should be made in a new project to ensure more careful follow-up and consistency. The new program should make sure that it monitors and supports a process that it has facilitated such as an advocacy campaign or a community initiative to help participants who run into problems. Also, there should be more consistent follow up TA to build on the training provided. This higher level of consistency and regularity in support came up as a recommendation in many conversations. This may be something that would be easier to ensure within the confines of a smaller project where management is not so stretched.

It should be noted that a smaller investment is unlikely to meet with much enthusiasm with GoI entities, some of which regard the current investment as unhelpfully modest.

3. Design a more selective project that abandons uncooperative jurisdictions

Of the eight LGSP jurisdictions the team visited, the executive proved to be the variable component, enthusiastically embracing LGSP in some cases, while just accepting it in others and rejecting it in one instance. This factor was critical to the degree of progress being made in different jurisdictions. Where the political will is absent, LGSP did not seem to make much headway. While helping the DPRD and civil society push for a role in decision making, the amount of project support that goes to the executive could end up reinforcing top down decision making by making the executive more efficient and effective. The team is not entirely convinced that LGSP should continue in jurisdictions where there is lack of political will after a given interval of trial. Resources are limited. The Mayor and the executive branch are key to this question of will, but lack of any interest or capacity in the other sectors should also be taken into account.

The team suggests, therefore, that the principal criterion in the selection of partners should be a “track record” of the LG leadership (bureaucratic and political), the DPRD and the CSOs, in demonstrating political will to provide and expand democratic space and a serious concern with delivering public services. This should not be restricted to economically more successful jurisdictions; but it should seek to build on political will. If and when these projects begin to prove the advantages of more participative and transparent processes and delivery of valued services, they should be used for their *demonstration effect* at regional or national “jamborees,” or by bringing local personnel from other jurisdictions to visit. Certainly, in the design of a new project, more attention needs to be paid to the prospect of replication or scaling up. Good ideas do not necessarily travel without support. The 2008 DG Assessment supports this principle. It recommends “a potentially new way of choosing localities with a focus on model districts. It gives examples, a few of which also came up in team interviews.”²⁹

4. Constitute a project that focuses on both democratic governance and service delivery

Any new project should place more emphasis on what improved processes are producing in the way of better outcomes for citizens. Are better decisions being made with relation to plans and investments? Are resources allocated where there is more need and more of a return for citizens? Is corruption constrained and penalized when identified? Do any services actually improve? More carefully worked out synergies with at least one of the mission’s sectoral efforts (health, education, or even economic growth) could bolster the attention to services but would suggest a logical government focus on those aspects of core district functions that would support service provision. A community’s experience of improved services is

²⁹ See the Indonesia DG Assessment, 2008, pp. 28, 48, 49.

vital to its continued support for the democratic process that led to that improvement and this in turn increases chances of sustainability. In this regard, the 2008 DG assessment observes: “If Local Government succeeds, support for democracy will deepen.”³⁰

5. A new design should ensure a results-oriented project *

From the outset, the project must emphasize results. USAID and the contractors need to craft realistic, achievable outcome and impact level indicators that demonstrate the progress of processes and of service provision, as well as methods of recording and accurately tracing attribution and levels of attribution. Without realistic impact level indicators and targets, a project can lose focus.

If the focus continues on governance processes, the project also needs to pay more attention to the quality of those processes and to gaining a more detailed understanding of the interactions of the three pillars. The investment in instruments should be substantial at the outset of a project in an attempt to prevent the frequent changes in approaches that have occurred under LGSP. Fortunately, LGSP’s tools are improving and there is learning here to draw on for a future PMP.

It is not possible within the confines of this evaluation to recommend a set of new indicators. That must be done in close coordination with new project design. Any new project should continue to avoid indicators over which it has very limited influence such as perception surveys, national level indicators, and those of Freedom House and Transparency International.

Some very preliminary ideas for an approach to performance measurement are laid out below:

1. Begin by classifying levels of outcome in a simplified hierarchy.
2. Go a step beyond governing processes and try to capture whether anything came of the type of processes that have been emphasized in this program. For example, examine laws, regulations and policies drafted/passed as a result of various pillar inputs and look at the extent to which the laws, regulations, and policies conform to that input. Assess changes in budgets and plans.
3. The next level up, assess the changing relationship between the pillars and the overall distribution of power. This might be done via focus groups with each of the pillars in a sample of jurisdictions.
4. Finally, try to assess whether those laws, policies, and decisions led to helpful changes in services that directly affect citizens’ lives.

Determined attribution for changes needs to be more clearly planned. It is not easy to do this. There are many steps between a project input and a decision and between the decision and implementation. The actual project contribution and its immediate outputs need to be carefully described and a *tracking process* put in place to follow the process, including if possible contributions by other donors and by government. This can allow a project to present an accurate causal connection – neither over- nor understated – between what it actually did and the actual outcomes. This, too, may need to be done selectively.

Proxy indicators are often useful in trying to assess DG work. However, by themselves they are not enough and they need to be designed and interpreted with care. They can also be backed up by a qualitative assessments of various kinds; e.g., to gauge “meaningful participation” or “quality of journalism” or of “DPRD’s debate.”

³⁰ Ibid., 46.

The program should also find a way of allowing independent third parties to verify some of its findings.

The Democracy Office in DCHA is just beginning a new effort to build better impact assessment systems for decentralization projects. It can provide support in designing quasi-experimental or fully random approaches to selecting target and control jurisdictions and to setting up measurement systems that will permit impact to be captured more precisely. If the Mission decides to move forward with a new project design, it should seek to receive TA from DCHA's Governance team.

6. Retain/strengthen/refine the national focus*

Although lack of capacity at the local level was correctly identified as the key challenge in the LGSP, it appears that the Central Government is in a position to facilitate or hinder all work at the local level. On some occasions, laws appear to be inadequately prepared, but on others, they may have been imperfectly drafted in order to add to the burden of the LGs. In either case, based on the work of LGSP (and the other USAID democracy program), the challenge of constructive and consistent codification of national laws and regulations remains key to the future of decentralization. USAID should maintain a supportive role at the national level in cooperation with other donors.

The next program should ensure early and full engagement with the Ministry of Home Affairs in the design and management of the program, possibly through closer liaison in the form of a MoHA advisory committee to LGSP, or at least through a more structured relationship with MoHA in a partnership agreement at the same level of formality as LGSP's agreement with Bappenas. Being involved on the design of the program, MoHA may use its authority as the superintendent of local government to take necessary steps to foster the commitment and steadfastness of local governments.

7. Retain the comprehensive “three pillar” approach*

The three pillars of executive, legislature, and civil society, are all necessary to the growth and consolidation of participation and accountability. In all cases the executive appears to have most power: in some jurisdictions, DPRDs are very weak; in others, civil society is the weakest branch. Sometimes promoting an alliance between the DPRD and civil society might improve prospects for challenging the executive branch, for example through the exercise of oversight. We recommend, based on some positive results of the work of a few journalists, that the new initiative re-consider media training and support for investigative reporting.

In a follow on project, there should be greater focus on working with local level interest groups such as cooperatives to enable them to formulate and advocate their interests and to understand sufficiently how decision making processes work so that they can engage in the rights ways at the right times.

8. Experiment with policy analysis training

LGSP's focus on public policy mechanics makes sense when one realizes that an underlying assumption of LGSP has been that planning and budgeting are the key instruments for improving effectiveness, accountability and participation in local governance. Plans and budgets drive development, especially in Indonesia with its longstanding emphasis on planning as the critical component to the entire development process. It follows that the path to realizing the program's objective (“expanding participatory, effective and accountable local governance”) lies in improving these mechanisms. The main focus for assistance, accordingly, has been on training in planning and budgeting. But while these are the instruments through which policy is driven, they form only part of the policy cycle, and they do not constitute policy in and of

themselves. The policy cycle comprises implementation, monitoring, and evaluation in addition to design (i.e., planning and budgeting), and these elements were not given much attention in LGSP's training and TA, as a number of respondents pointed out to the team. Moreover, the whole business of policy formulation lies beyond the policy cycle itself. Should health policy emphasize a central medical facility at the kabupaten headquarters, or a network of primary health care dispensaries? Should education focus more on universal primary schooling or on post-primary vocational training? Should agriculture spend more on extending irrigation command area or on operation and maintenance of land already irrigated? Issues like these never surfaced in the team's interviews.

Mission staff indicated that they have witnessed some examples of this kind of policy dialogue and formulation, but at a very limited level. This may be the continued legacy of centralized government control; policy development and analysis skills within all the three pillars of local governance are underdeveloped. There are well entrenched attitudes, behaviors, and incentives that make this difficult to change. Perhaps now that LGSP has opened the door to greater communication/working relations among the different pillars, a follow-up project could push the envelope further in some jurisdictions to raise the level and sophistication of local policy development.

9. Create a more demand-driven approach*

Any new project should try to allow local demands determine and influence the choice, timing and level of training and technical assistance, and should be clear that local needs drive project activity. This has been difficult for LGSP staff to do because the timeline for plans and budgets is the same for all jurisdictions and it is impossible for its staff to be everywhere at once. The team understands that there are limitations on the variety of programs that can be provided by any one institution, but the new project should make an early effort both at the national levels and with partner local actors to ensure they are consulted and their suggestions taken into account. It may also become more feasible to provide a greater variety of programs if more local service providers are part of and on-call for the project. Where the demands are not feasible, the reason should be made clear.

There may not be local service providers in some parts of the country. This might be one factor to consider in designing the follow on program. There at least must be institutions with enough capacity present that they can be the target for institutional strengthening.

The project might also focus on training a network of provincial consultants who provide training and TA to local governments on demand.

10. Continue to strengthen local service providers/institutions/support centers/universities*

This is a component of the present LGSP. The team recommends that the process of consulting, strengthening and using local institutions to do the training and advising and to become repositories for the materials produced (including sharing training modules, handbooks, lessons of experience and best practices). This is one of a number of steps that may increase the chances of the project's purposes, methods, and benefits being sustained. One suitable partner for dissemination of LGSP products could be (on a case by case basis) the *Badan Diklat* (Training Center Agency) of every provincial and local government.

11. Training and TA: Selected Suggestions in Finance and Management*

The team recommends that the LGSP successor project concentrate more efforts on the accountability aspect of local governance. That is, there could be a curriculum generally measured by the Local Government Assessment Tool as a subset of Accountability, perhaps called “Organizational

Effectiveness.” This would consist of some areas already under development, such as procurement procedures³¹ to minimize corruption. USAID has a strong record of providing comprehensive programs on clear and enforceable procurement rules and procedures, and instituting such a program at the LG level could have a significant effect on the mindsets surrounding procurement as an area of opportunity for corruption. Secondly, as a way of tightening up the organization of LGs, minor civil service reform could be initiated through a curriculum and TA on job content analysis, staffing, deployment of personnel, and alternative methods for DPRD management of its bureaucracy. This can be done in ways that the prerogatives of the executive branch in personnel management are respected, but also in ways that the DPRD can build up its legitimate oversight function.

While debt financing is not yet a practice (by law) at the LG level, an approach to organizational strengthening could be offered as a “creditworthiness” curriculum, consisting, in part, of training and TA in project planning, cost accounting methods, and more intensive training in performance measurement for unit heads and managers. The criteria in municipal bond prospectuses center on these internal practices and measurement techniques, and regardless of whether LGs will actually engage in debt financing, these serve as a solid framework for such improvements. This could be tried, but only in those jurisdictions that are particularly advanced.

12. Strengthen SIAPs

The SIAP idea has merit as an arena for practicing new skills related to service improvement. A new project could provide positive and negative incentives for participation in the Musrenbang process, such as small grants for identified community projects with heavy local participation, or for Small and Medium Enterprise initiatives which have high benefit to cost potential. Similarly, SIAPs could be enhanced by limited financial support. The current project cannot do this because it is not set up to provide grants under a contract. A new project could be set up to handle small grants under a contract.

13. Consider Additional Ideas for Sustainability*

As important as this topic is, there are few fresh ideas to be suggested. Primarily lessons have to be learned from successes and likely successes, and applied and replicated. These include the following: strengthening of an in-house training unit, funded by an LG Special Fund, and using LGSP modules to deliver workshops; sharing LGSP’s modules and training approaches with teachers from local universities; using and building local institutions as documentation, training, and course development centers; encouraging the retention of employees in positions for which they have been trained; increasing the proportion of training of trainers events (including post training monitoring to assess how the training is used); putting all training materials on CDs and web pages for purposes of wider dissemination; wider or/and more strategic dissemination of hard copies encouraging the passing of legislation that formalizes innovations and gives them legal backing; continue working on the national policy and regulatory environment that has such a fundamental influence on success or failure of local government; building the likelihood or indications of continuation of processes into performance measurement; and civil society strengthening.

³¹ LGSP attempted to work on procurement earlier but there was not sufficient local government interest. Staff are now wondering whether the time is ripe to try this again.

B. LGSP: Recommendations for Adapting/Refining the Present Program

The primary purpose of the recommendations given in Section A. above is to help think through the design of a new project. A number of the suggestions address elements of the present program that make sense and are being well done, and should be continued; others represent adaptations of current elements or new departures.

The following recommendations are made with realization that the current project is making progress, and fulfilling most of what it was required to do, and cannot be expected to execute a turn-around in its final year. Team recommendations, some of which are similar to those for a new project are suggested as *adaptations* of present practices. They should be tried very much on a *selective* basis (i.e., working in a few jurisdictions only) and an *incremental* basis (i.e., building on, and from, where the program stands – not making leaps that are not supported by the preparation so far); and with the idea in mind that improvements can be made, and significant *lessons learned* in the final year, which will be useful to the successor program.

[We have noted with an **asterisk** those recommendations in Section A. that the present program could tackle, but on a more incremental and selective basis than would be the case in a new project.]

1. Go deeper in selected jurisdictions

LGSP should, in consultation with its local partners, who had many suggestions, try to achieve greater depth and specificity in training and TA in selected jurisdictions. They should select either the strongest jurisdictions or perhaps mid-level performers and should monitor carefully what the added inputs produce in the way of process improvements and the impact of improved processes. LGSP might also consider dropping jurisdictions where the executive has shown a clear reluctance to cooperate and reinvest those funds in more interested local governments. Those jurisdictions on the right-hand side of the earlier-presented Figure A (p. 34) might represent candidates for dropping.

LGSP might also increase attempts to focus on selected services in some jurisdictions to test how this might work out in a follow-on project.

It might also focus in some jurisdictions on providing more tailored and on-demand training and TA. This is probably only possible if it scales back and drops some of its weaker jurisdictions.

2. Experimenting with service delivery

Again, on a very selective basis, we recommend that in the final year LGSP encourages some tangible outcomes which may improve delivery of service even at a modest level. There are SIAPs which appear ready to achieve, and be assessed for, impact; LGSP can attempt to follow up on the effects of improved budgeting effects on revenue, of one-stop shops and complaint centers, regulations of one kind or another, and then record the lessons learned. We recommend that LGSP select a few more advanced jurisdictions and set out to see if they can move the process forward to a tangible improvement in service delivery.

3. Strengthen the results orientation

LGSP has made consistent efforts to improve monitoring. This has had costs, as noted frequently above, in the ability to demonstrate change over time. It is late in the project life to bring about additional improvements but more focus on changes brought about by improved processes (at least in the jurisdictions where the processes are most improved) makes some sense and should be attempted. In

addition, definitions for some of the more qualitative indicators for the IRs need greater specificity in terms of how the thresholds for performance are being constructed.

4. Retain/strengthen/refine national focus

The present project has commenced and increased its focus at this level. Because of the importance of national policy to effective decentralization, the team recommends the continuation of this initiative. This represents a continuation and suggestion for an increased strategic focus over the final year of the present program. It is possible that LGSP should look for additional opportunities to work with DRSP and jointly seek to increase strategic points of entry.

5. Retain comprehensive “three pillar” approach

This is a core component of the present LGSP program. The approach should be continued. LGSP should consider giving careful attention to the challenges faced by newly elected DPRDs and situations where DPRDs and the executive represent different political parties. As noted above, if no progress is being observed and the executive is uncooperative, LGSP should withdraw.

6. Strengthen local service providers/institutions/support centers/universities

This is a continuation of an interesting element of LGSP and is essential to any hopes of local replication and sustainability. At this stage, the program needs to focus on the more effective institutions and strengthen their ability not only to deliver and replicate, but also to carry out needs assessments, determine priorities and innovate.

7. Ideas for sustainability

During this last year, LGSP should give attention to every opportunity for replication and scaling up; e.g., through wider dissemination of its materials electronically and in hard copy, strengthening local institutions as resource, curriculum and training centers and a greater emphasis on training of trainers, with post-training evaluation as an essential accompanying element.

8. The following are additional suggestions specifically for consideration by LGSP in its final year

- The LGSP District Coordinators serve primarily as administrators and coordinators of the program in their respective districts, not as subject matter experts. Their role could be enhanced if they could also become more involved in the substantive aspects of the technical assistance being provided. The LGSP regional technical experts could transfer appropriate knowledge to the District Coordinators on the substantive content of the workshops and daily technical assistance. With more knowledge and insight of the technical assistance that LGSP is providing, the District Coordinators will be better prepared to assess the impact that the training is having on the delivery of services.
- To consolidate impact, concentrate on two more successful functional areas, health and education, or others specifically identified by USAID and LGSP staff as consistent with local government effectiveness needs, such as anti-corruption techniques for the procurement function. The latter is currently being assisted, but in a limited way.

- Choose viable DPRD members with whom to work rather than treating them as a homogeneous whole. Identify key players who have both informal and formal power within the DPRD elected membership, and develop some champions of reform from their ranks.

APPENDIX A.

EVALUATION PLAN AND TEAM COMPOSITION

July 10, 2008

Evaluation Purpose

To conduct an impact evaluation of USAID/Indonesia's Local Governance Support Program (LGSP) and provide lessons learned as outlined in Article IV and Article V of this Agreement.

Background

In March 2005, USAID/Indonesia launched the Local Governance Support Program (LGSP), a \$61.87 million technical assistance initiative to support Indonesia's decentralization by helping local governments to become more democratic, more competent of the core tasks of governance, and more capable of supporting improved service delivery and management of resources. The prime contractor for LGSP is RTI. A major part of the Democracy and Decentralized Governance (DDG) portfolio, LGSP supports the intermediate result of "expanding participatory, effective and accountable local government" under the 2004-2008 USAID/Strategic Framework. Under the new USG Foreign Assistance Framework, LGSP works under the Governing Justly and Democratically Objective, Good Governance Area and Local Government Decentralization program element.

Operating in nine provinces of Indonesia, LGSP (March 2005-September 2009) expands participatory, effective and accountable local governance by providing training, technical assistance and other capacity building support to local administrations, locally elected counsels and civil society in the following areas:

- Improved local government performance and capacity to plan and manage resources and public services transparently. Local governments must be more effective in three priority action areas: planning, budgeting and management of public services;
- Strengthened legislative function and process at the local level. Local legislative councils must be accountable to their constituents by fulfilling their roles in representation, policy-making and oversight; and
- More effective civil society and media participation in local governance. Citizens and media must be able to participate and influence governance and local governments must be able to provide a participatory environment for engaging citizens.

In its original design, LGSP was to provide direct technical assistance to 100 local governments. To respond to changing environment and priorities, the number of target local governments was subsequently reduced to about 65 and greater emphasis was placed on scaling up good practices nationally through various dissemination methods. As a result, another area of assistance was added as follows:

More conducive enabling environment to sustain and improve effective decentralization. A sustainable system needs to be established that includes: national and local networks for training and service providers, sharing of information among local governments, central government guidance and policy briefs that probe critical issues confronting local governments and inform national level decision makers. This also involved greater engagement and partnership with Central Government, especially Ministry of Home Affairs.

LGSP program includes two special regions of Aceh and West Papua. In Aceh province, LGSP's early emphasis was on assisting 5 targeted local governments to facilitate Tsunami recovery. Since that time, the program shifted its emphasis to strengthening the management capacities of district and provincial government to better prepare them for the responsibilities of special autonomy and closer of the Rehabilitation and Reconstruction Agency (BBR). The World Bank and the Multi-Donor Fund for Aceh and Nias are now directly funding LGSP to expand the program to an additional 6 local governments.

In West Papua, LGSP is working in 5 jurisdictions with emphasis on improving accountability systems for planning and managing increased revenue flows from special autonomy and natural resources. The West Papua Program, also called the "Bird's Head Governance Initiative" is co-funded through a public private alliance between USAID and BP Berau, Ltd.

To date, LGSP has developed and implemented technical assistance and training plans with 57 local governments in 9 provinces. LGSP training and technical assistance is aimed at helping partner local administrations improve skills and systems and adopt improved practices for planning, budgeting and financial management. LGSP support for service delivery responds to locally identified service priorities by helping local governments plan and manage services that better respond to citizen priorities. Assistance is also provided to civil society organizations and local legislatures (DPRD) so that they can play a more active and productive role in holding their local government accountable.

LGSP is disseminating various tools and methodologies through provincial and national partners in an effort to reach more local governments. At the central government level, LGSP has been supporting the Government of Indonesia (GoI) in preparing guidelines and regulations related to participatory planning, minimum service standards, local government assessment, service contracting and a national capacity building framework.

Evaluation Questions

The team proposes the following changes/clarifications to the evaluation questions as identified in the evaluation plan. These are based on an email exchange between MSI and the CTO on June 9, 2008.

The final overarching questions for this evaluation are:

- 1. Impact:** What has been LGSP's impact, at both the district (Kota and Kab.) and national level, in expanding effective, accountable and participatory local government in Indonesia?

Since the majority of LGSP resources were directed at support to district and city governments, the analysis of impact should emphasize its impact on partner jurisdictions. Further to the question of impact, the evaluation should respond to the following questions:

- a. To what extent has LGSP assistance resulted in sustainable and positive changes in how local government functions? *We seek to divide this question into three sub-questions as outlined below:*
 - To what extent has LGSP assistance resulted in positive changes in how local government functions?
 - Of those districts and cities examined, will these positive changes endure beyond the life of the project?
 - Of those districts and cities examined, are these positive changes significant?
 - For example, what are the improvements in planning and budgeting process, legislative function and civil society participation in LGSP jurisdictions?
 - Are these improvements significant and sustainable? How do you measure that? Are there any measures taken by local government to ensure this project impact sustainability?

- Are there measureable differences among jurisdictions where LGSP worked and didn't work?
- b. LGSP was designed to lay the foundation of good local governance necessary for improved service delivery, but it was not intended to provide direct assistance to local government service delivery.
 - Given this context, what is LGSP's impact on local government management of services been?
 - In districts where LGSP collaborated with other USAID projects that did emphasize service delivery, what impact did LGSP assistance have on planning and managing the delivery of these services?
 - Were there measurable differences in districts where LGSP worked and didn't work? For example, are LGSP supported jurisdictions able to expend more of their budget on priority services than non-LGSP jurisdictions? Are there any measures taken by local government to ensure this project impact sustainability?
 - c. LGSP has worked in nine Indonesian provinces including Aceh and West Papua. Are there significant differences in LGSP impact across the regions or provinces where it works?
 - d. LGSP provides direct technical assistance to the Ministry of Home Affairs/Regional Development Directorate, the Ministry of Home Affairs/Regional Autonomy Directorate and the Ministry of National Planning/Good Governance Task Force to develop guidance and regulations in support of decentralization. What has been the impact of this assistance? For example, are there specific policies or other reforms that can be directly attributed to LGSP assistance?
2. **Lessons Learned:** Which approaches used by LGSP work and which don't work? What lessons learned from LGSP should USAID consider in designing future decentralization and local government programs?

While the evaluation of lessons learned should not be limited to answering these questions, USAID is particularly interesting in the following (in order of priority). When relevant the evaluation should consider differences among provinces where LGSP works.

- a. LGSP design called for a comprehensive approach to local governance assistance that strengthened the role of local administrations, local councils (DPRD) and civil society in improving local governance. This was a departure from previous USAID/Indonesia local governance programs and unique among donors supporting Indonesia's decentralization.
 - What was achieved by using this approach?
 - What are the advantages and disadvantages of using this approach?
 - How well did this approach work in jurisdictions where there was not adequate interest or participation by one or more sectors?
 - Given the inherent weaknesses of local legislative councils in Indonesia, does it make sense to assist them?
- b. Was LGSP's approach to service delivery and management of services adequate?
- c. What could be done in the future program design to improve linkage and impact on service delivery? (b and c are related and could be combined into one question.)
- d. LGSP developed tools, methodologies and modules which they delivered to partner local governments and also scaled up and disseminated more widely through partnership with provincial and national government, training institutions, universities and NGOs.
 - Is there evidence that these tools and methodologies are sustainable and will be used beyond LGSP?

- Where sustainability is likely determined, what are the factors that led to sustainability?
- e. Based on LGSP experience, what criteria should USAID use in selecting sites for future local governance programs?

Evaluation Methodology

MSI's evaluation team is composed of two Senior Local Governance Experts, Bob Sanders and Alan Edmond, two civil society experts with extensive experience with USAID, monitoring and evaluation and social science research, Dr. Harry Blair and Dr. David Hirschmann, and two local experts, Budi Setyano and Luky Djani.

The team will travel to eight LGSP districts and cities and two non-LGSP districts in four provinces as part of their fieldwork. The proposed municipalities selected for the sample are:

Aceh

Kota Banda Aceh
Kabupaten Aceh Besar

East Java

Kabupaten Probolinggo
Kota Mojokerto
Kabupaten Pasuruan (comparison/non-LGSP)

South Sulawesi

Kota Pare Pare
Kab. Pinrang
Kabupaten Rappang (comparison/non-LGSP)

West Papua

Kota Sorong
Kabupaten Manokwari

Site selection for the sample is based on the following criteria:

- High performers / Low performers in Good Governance Index
- Batch 1 / Batch 2
- City / District
- USAID project / non-USAID project
- LGSP / non-LGSP site
- Accessibility
- Feasibility

For the site visits, the teams will be subdivided into two groups. The first sub-team will travel to Aceh and East Java. The second sub-team will travel to South Sulawesi and Papua. Given the short time in the field, it is expected that each team will spend two days at each LGSP site and one day at each comparison site.

The methodology for the evaluation includes document review, key informant interviews, individual interviews, group interviews, use of available secondary sources of data, and analysis. The team will interview USAID staff, LGSP staff, national government officials from MoHA and Bappenas, local government officials, DPRD members, civil society organizations, other donors and USAID implementing partner staff among other key stakeholders using an interview guideline (see page 13).

Analysis of the data will be threefold:

- Contingency analysis: What are the consequences of being in different categories? E.g., is there some set of differences, caused by LGSP's interventions, between batch one and batch two partner local governments that can be explained by the fact that batch one started one year earlier than batch two?
- Trend analysis: Does looking at patterns across time reveal any significant differences or trends? A review of the opinion polls may show a pattern or trend.
- Interpretive analysis: Professional opinion of the team members on all of the data, interviews, et al. This will probably be the main approach used.

People targeted to be interviewed include national and local government officials, CSO representatives, and members of the media. Also, appropriate staff from other donors active in decentralization in Indonesia will be interviewed. All individuals interviewed, and their organizations, will be shown in an appendix of the Report.

JULY

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
	1	2	3	4	5	6
7	8	9	10	11	12	13
	Team Planning Meeting	Team Planning Meeting	Team Planning Meeting	Team Departs from DC		Team Arrives in Jakarta
	Phone call with USAID (9:00am - 10:00am)	Phone call with Judith @LSGP (9:00 am – 10:30 am)	Phone call with USAID (9:00am - 10:00am)			
14	15	16	17	18	19	20
Meeting with Local Experts (8:30am - 10:00am)	LGSP: Jakarta Office Staff	LGSP Senior Staff Meeting (Jakarta) (Team A: Travel to South Sulawesi	Team A: South Sulawesi	Team A: South Sulawesi	Team A: Rest
Meeting with USAID: Yoke & Faye (10:30am – 12:30pm)	Meeting with Bappenas	Meetings		Team A: Town 1 (LGSP) Pare-Pare	Team A: Town 1 (LGSP) Pare-Pare	
Meeting with LGSP: COP (afternoon)	Meeting with MoHA	TBD				
			Team B: Travel to Aceh	Team B:	Team B: Aceh Besar	Team B: Rest
				Aceh Besar (LGSP)	(LGSP)	
21	22	23	24	25	26	27
Team A: South Sulawesi (LGSP) Pinrang	Team A: South Sulawesi (LGSP) Pinrang	Team A: South Sulawesi Sidrap (comparison)	Team A: Travel to Papua (LGSP) Sorong	Team A: Papua	Team A: Papua	Team A: Rest
Team A: Town 2 (LGSP)	Team A: Town 2 (LGSP)	Team A: Town 3 (no LGSP)		Team A: Town 1 (LGSP) Sorong	Team A: Town 2 (LGSP) Manokwari	
Team B: Aceh	Team B: Aceh	Team B: Travel to East Java	Team B: East Java	Team B: East Java	Team B: East Java	Team B: Rest
Team B: Banda Aceh (LGSP)	Team B: Banda Aceh (LGSP) Depart early evening to Jakarta		Team B: Kab. Probolinggo (LGSP)	Team B: Kab. Probolinggo (LGSP)	Team B: Pasuruan (comparison)	

AUGUST

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
28	29	30	31	1	2	3
Team A: Papua	Team A: Papua	Team A: Travel to Jakarta	Team: Analysis and Preliminary Findings	Team: Analysis and Preliminary Findings	Team: Analysis and Preliminary Findings	Team: Rest
Team A: (LGSP) Manokwari	Team A: To Sorong		Meetings	Trip Debrief w/ USAID	Follow-up Meeting with LGSP and partners	
Team B: East Java	Team B: East Java	Team B: Travel to Jakarta				
Team B: Town 2 (LGSP) Mojokerto	Team B: Town 2 (LGSP) Mojokerto					
4	5	6	7	8	9	10
Additional Analysis and Follow-up	Meeting with LGSP (Morning)					
USAID Debrief (1000	Additional Analysis and Follow-up					
	Team Departs from Jakarta (evening) Summary of Interim Findings due to USAID					
11	12	13	14	15	16	17
18	19	20	21	22	23	24
					Draft Report due to USAID	
25	26	27	28	29	30	1
					Comments due from USAID	

Getting to Answers

Questions	→	Design Considerations	→	Specific Methods/Sources	→	Data Analysis	→	Answers
Program or Activity: Evaluation of LGSP MSI Team Members: Bob Sanders, Team Leader, Harry Blair, Alan Edmond, David Hirschmann, Budi Setyano, Luky Djani								

Evaluation Questions	Type of Answer/ Evidence Needed	Methods for Data Collection Records, Structured Observation, Key informant Interviews, Mini-surveys, Focus Groups, etc.		Sampling or Selection Approach	Data Analysis Methods
		Method	Data Source		
What has been LGSP's impact at both the district (Kota and Kab.) and national level, in expanding effective, accountable and participatory local government in Indonesia?	Comparison: Before and after LGSP program Comparison: LGSP and non-LGSP sites Cause and effect: Attribution to LGSP	Key Informant Interviews Individual Interviews Group Interviews <ul style="list-style-type: none"> ○ National ○ Local ○ Neutral Observers Document Reviews Secondary Quantitative Data (e.g., World Bank Survey) if available.	USAID CTO and Program Managers LGSP Jakarta Staff Bappenas Ministry of Home Affairs Local Government Associations (I don't understand how LGSP associations will help answer this question.) Head of District Governments / Mayors Civil Servants DPRD members CSOs USAID Project Implementers LGSP Field Offices Workplans Annual Reports Project Documents	Site selection is based on: High performers / Low performers in Good Governance Index Batch 1 / Batch 2 City / District USAID project / non-USAID project LGSP / non-LGSP Feasibility Accessibility	Content Analysis Contingency Analysis Trend Analysis Interpretive Analysis based on site selection

Evaluation Questions	Type of Answer/ Evidence Needed	Methods for Data Collection Records, Structured Observation, Key informant Interviews, Mini-surveys, Focus Groups, etc.		Sampling or Selection Approach	Data Analysis Methods
			Project Tools and Guides Survey data (e.g., World Bank, USAID, LGSP)		
<p>To what extent has LGSP assistance resulted in positive changes in how local government functions?</p> <p>Of those districts and cities examined, are these positive changes significant?</p> <p>For example, what are the improvements in planning and budgeting process, legislative function and civil society participation in LGSP jurisdictions?</p>	<p>Comparison: Before and after LGSP program</p> <p>Comparison: LGSP and non-LGSP sites</p> <p>Cause and effect: Attribution to LGSP</p>	<p>Key Informant Interviews</p> <p>Individual Interviews</p> <p>Group Interviews</p> <ul style="list-style-type: none">○ National○ Local○ Neutral <p>Observers</p> <p>Document Review</p> <p>Secondary Quantitative Data (e.g., World Bank Survey) if available.</p>	<p>USAID CTO and Program Managers</p> <p>LGSP Jakarta Staff</p> <p>Bappenas</p> <p>Ministry of Home Affairs</p> <p>Local Government</p> <p>Associations</p> <p>Head of District</p> <p>Governments / Mayors</p> <p>Civil Servants</p> <p>DPRD members</p> <p>CSOs</p> <p>USAID Project Implementers</p> <p>LGSP Field Offices</p> <p>Workplans</p> <p>Annual Reports</p> <p>Project Documents</p> <p>Project Tools and Guides</p> <p>Survey data (e.g., World Bank, USAID, LGSP)</p>	<p>Site selection is based on:</p> <p>High performers / Low performers in Good Governance Index</p> <p>Batch 1 / Batch 2</p> <p>City / District</p> <p>USAID project / non-USAID project</p> <p>LGSP / non-LGSP</p> <p>Feasibility</p> <p>Accessibility</p>	<p>Content Analysis</p> <p>Contingency Analysis</p> <p>Trend Analysis</p> <p>Interpretive Analysis based on site selection</p>
<p>Of those districts and cities examined, will these positive changes endure beyond the life of the project?</p>	<p>Description</p>	<p>Key Informant Interviews</p> <p>Individual Interviews</p> <p>Group Interviews</p> <ul style="list-style-type: none">○ National○ Local○ Neutral <p>Observers</p> <p>Document Review</p>	<p>LGSP field offices</p> <p>CSOs</p> <p>Good Governance Task Force (do you mean the bappenas’ good governance task force? not sure if good governance task force is source for this answer.)</p> <p>Head of District</p>	<p>Sample LGSP districts</p>	<p>Content Analysis</p> <p>Contingency Analysis</p> <p>Trend Analysis</p> <p>Interpretive Analysis based on site selection</p>

Evaluation Questions	Type of Answer/ Evidence Needed	Methods for Data Collection Records, Structured Observation, Key informant Interviews, Mini-surveys, Focus Groups, etc.		Sampling or Selection Approach	Data Analysis Methods
			Governments / Mayors		
What is LGSP's impact on local government management of services been?	Cause and Effect Comparison: LGSP and non-LGSP sites Comparison: Before and After	Key Informant Interviews Individual Interviews Group Interviews <ul style="list-style-type: none"> ○ National ○ Local ○ Neutral Observers	USAID CTO and Program Managers USAID CTOs and Program Managers for other sectors (e.g., health, education) whose projects collaborate with LGSP Bappenas Head of District Government District Government Officials/Civil Servants DPRD members CSOs USAID project implementers LGSP Jakarta office LGSP field offices Other donors	Sample LGSP districts with SIAPs Non-LGSP districts were selected based on 1) having another USAID-funded project; and 2) proximity to the sample of LGSP districts. National Level Data	Content analysis Contingency analysis Trend analysis Interpretive analysis based on site selection
In districts where LGSP collaborated with other USAID projects that did emphasize service delivery, what impact did LGSP assistance have on planning and managing the delivery of these services?	Cause and Effect Comparison: LGSP and non-LGSP sites	Key Informant Interviews Individual Interviews Group Interviews <ul style="list-style-type: none"> ○ National ○ Local ○ Neutral Observers Document Review	USAID CTO and Program Managers USAID CTOs and Program Managers for other sectors (e.g., health, education) whose projects collaborate with LGSP District Government Officials/Civil Servants CSOs USAID project implementers LGSP Jakarta office	Sample LGSP districts collaborating with other USAID-supported projects Non-LGSP districts were selected based on 1) having another USAID-funded project; and 2) proximity to the sample of LGSP districts. National Level Data	Comparison to the extent possible with quantitative data. Qualitative contingency analysis

Evaluation Questions	Type of Answer/ Evidence Needed	Methods for Data Collection Records, Structured Observation, Key informant Interviews, Mini-surveys, Focus Groups, etc.		Sampling or Selection Approach	Data Analysis Methods
			LGSP field offices		
Were there measurable differences in districts where LGSP worked and didn't work? For example, are LGSP supported jurisdictions able to expend more of their budget on priority services than non-LGSP jurisdictions?	Comparison: LGSP and non-LGSP sites	Key Informant Interviews Individual Interviews Group Interviews <ul style="list-style-type: none"> ○ National ○ Local ○ Neutral Observers Document Review Secondary data from municipalities	USAID CTO and Program Managers USAID CTOs and Program Managers for other sectors (e.g., health, education) whose projects collaborate with LGSP MoHA Bappenas District Government Officials/Civil Servants CSOs USAID project implementers LGSP Jakarta office LGSP field offices	Sample LGSP districts collaborating with other USAID-supported projects Non-LGSP districts were selected based on 1) having another USAID-funded project; and 2) proximity to the sample of LGSP districts.	Comparison to the extent possible with quantitative data. Qualitative contingency analysis
LGSP has worked in nine Indonesian provinces including Aceh and West Papua. Are there significant differences in LGSP impact across the regions or provinces where it works?	Comparison across provinces	Key Informant Interviews Individual Interviews Group Interviews <ul style="list-style-type: none"> ○ National ○ Local ○ Neutral Observers Document Review Secondary Quantitative Data (e.g., World Bank Survey) if available.	USAID CTO and Program Managers LGSP Jakarta office LGSP field offices Bappenas MoHA Good Governance Task Force	National level data Sample LGSP-supported districts in 4 provinces. Batch 1 vs. Batch 2 districts	Comparison to the extent possible with quantitative data. Qualitative contingency analysis
LGSP provides direct technical assistance to the Ministry of Home Affairs/Regional Development Directorate, the Ministry	Descriptive	Key Informant Interviews Individual Interviews <ul style="list-style-type: none"> ○ National ○ Neutral Observers	USAID CTO and Program Managers LGSP Jakarta office LGSP field offices(why field offices?) Bappenas	NA	Content Analysis

Evaluation Questions	Type of Answer/ Evidence Needed	Methods for Data Collection Records, Structured Observation, Key informant Interviews, Mini-surveys, Focus Groups, etc.		Sampling or Selection Approach	Data Analysis Methods
of Home Affairs/Regional Autonomy Directorate and the Ministry of National Planning/Good Governance Task Force to develop guidance and regulations in support of decentralization. What has been the impact of this assistance? For example, are there specific policies or other reforms that can be directly attributed to LGSP assistance?		Document Review	MoHA Local Government Associations Good Governance Task Force Possibly other donors?		
Which approaches used by LGSP work and which didn't work?	Descriptive	Key Informant Interviews Individual Interviews Document Review Secondary Quantitative Data (e.g., World Bank Survey) if available.	USAID CTO and Program Managers LGSP Jakarta office LGSP field offices District Government Officials/Civil Servants DPRD CSOs	National level data Sample LGSP-supported districts in 4 provinces.	Analysis of Evaluation Findings and Conclusions
What lessons learned from LGSP should USAID consider in designing future decentralization and local government programs?	Descriptive / Recommendation	Key Informant Interviews Individual Interviews	USAID CTO and Program Managers LGSP Jakarta office LGSP field offices Bappanas	NA	Analysis of Evaluation Findings and Conclusions
What was achieved by using a comprehensive approach to local governance assistance	Descriptive	Key Informant Interviews Individual Interviews Document Review	USAID CTO and Program Managers LGSP Jakarta office LGSP field offices	Sample LGSP-supported districts in 4 provinces.	Analysis of Evaluation Findings and Conclusions

Evaluation Questions	Type of Answer/ Evidence Needed	Methods for Data Collection Records, Structured Observation, Key informant Interviews, Mini-surveys, Focus Groups, etc.		Sampling or Selection Approach	Data Analysis Methods
that strengthened the role of local administrations, DPRD and civil society in improving local governance?		Secondary Quantitative Data (e.g., World Bank Survey) if available.	District Government Officials/Civil Servants DPRD CSOs Media Representatives Other donors		
What are the advantages and disadvantages of using this comprehensive approach?	Descriptive	Key Informant Interviews Individual Interviews Document Review Secondary Quantitative Data (e.g., World Bank Survey) if available.	USAID CTO and Program Managers LGSP Jakarta office LGSP field offices District Government Officials/Civil Servants DPRD CSOs Media Representatives Other donors	Sample LGSP-supported districts in 4 provinces.	Analysis of Evaluation Findings and Conclusions
How well did this approach work in jurisdictions where there was not adequate interest or participation by one or more sectors?	Comparison	Key Informant Interviews Individual Interviews Document review	USAID CTO and Program Managers LGSP Jakarta office LGSP field offices District Government Officials/Civil Servants	Sample LGSP-supported districts in 4 provinces. National level data	Analysis of Evaluation Findings and Conclusions
Given the inherent weakness of DPRDs in Indonesia, does it make sense to assist them?	Description / Recommendation	Key Informant Interviews Individual Interviews Document review	USAID CTO and Program Managers LGSP Jakarta office LGSP field offices District Government Officials/Civil Servants CSOs Media representatives and/or neutral observers Other donors	Sample LGSP-supported districts in 4 provinces. National level data	Analysis of Evaluation Findings and Conclusions
Was LGSP's approach to service delivery and management of services	Description	Key Informant Interviews Individual Interviews	USAID CTO and Program Managers LGSP Jakarta office	Sample LGSP districts collaborating with other USAID-supported	Analysis of Evaluation Findings and Conclusions

Evaluation Questions	Type of Answer/ Evidence Needed	Methods for Data Collection Records, Structured Observation, Key informant Interviews, Mini-surveys, Focus Groups, etc.		Sampling or Selection Approach	Data Analysis Methods
adequate?		Document review	LGSP field offices District Government Officials/Civil Servants Bappenas	projects Non-LGSP districts were selected based on 1) having another USAID-funded project; and 2) proximity to the sample of LGSP districts.	
What could be done in the future program design to improve linkage and impact on service delivery?	Description / Recommendation	Key Informant Interviews Individual Interviews	USAID CTO and Program Managers LGSP Jakarta Office LGSP field offices District Government Officials/Civil Servants NGOs	NA	Analysis of Evaluation Findings and Conclusions
Is there evidence that LGSP developed tools, methodologies and modules which they delivered to partner governments and scaled up and disseminated more widely through partnership with provincial and national government, training institutions, universities and NGOs are sustainable and will be used beyond LGSP?	Description	Key Informant Interviews Individual Interviews	USAID CTO and Program Managers LGSP Jakarta office LGSP field offices District Government Bappenas Training Institutes Universities NGOs District Government Officials/Civil Servants (i.e., recipients of training)	Snowball / Availability	Content Analysis

Evaluation Questions	Type of Answer/ Evidence Needed	Methods for Data Collection Records, Structured Observation, Key informant Interviews, Mini-surveys, Focus Groups, etc.		Sampling or Selection Approach	Data Analysis Methods
Where sustainability of these tools, methodologies and modules is determined likely, what are the factors that led to sustainability?	Cause and Effect	Key Informant Interviews Individual Interviews	USAID CTO and Program Managers LGSP Jakarta office LGSP field offices District Government Bappenas Training Institutes Universities NGOs District Government Officials/Civil Servants (i.e., recipients of training)	Snowball / Availability	Analysis of Evaluation Findings and Conclusions
Based on the LGSP experience, what criteria should USAID use in selecting sites for future local governance programs?	Description / Recommendation	Key Informant Interviews Individual Interviews	USAID CTO and Program Managers LGSP Jakarta office LGSP field offices Bappenas	NA	Analysis of Evaluation Findings and Conclusions

DRAFT Interview Guidelines

A) For Senior Local Government Official e.g. mayor or senior executive officer:

- 1) Which LGSP programs/activities have been carried out in your jurisdiction?
- 2) Which of these have led to changes?
- 3) in processes [e.g. budgeting, accounting, consultative processes]
- 4)in service delivery [e.g. health services, education] [need to establish that change is linked directly, and at least partially attributable, to LGSP]
- 5) Can you please give examples or show examples of these changes
- 6) In your opinion which of these changes have made the most significant differences?
- 7) Follow ups question: in case an LGSP activity that was undertaken has not been covered: ask specifically about budgeting training, gap analysis, accounting, budget oversight, civil society workshops, legislative training, management systems, accounting, Musrenbang etc, various tools, training modules?
- 8) Referring back to the improvements you have discussed, (the ones to which LGSP has contributed) which of these do you think will continue (after this program ends)?
- 9) Can you explain why you think they might continue? e.g. legislation requires it, personnel have been appointed, resources have been set aside, staff are already carrying out the new practices, staff are enthusiastic? There have been positive results? The public are supportive?
- 10) Can you suggest to us why some of the innovations/improvements are more likely to continue than others?
- 11) Do you see any secondary or larger effects of the LGSP activities: NGOs following up, training of trainers, universities advising or teaching?
- 12) Concerning the way the assistance was delivered (the methods used) .e.g. training, one day or two day workshops, TA advice, learning/interactive methods, follow up, analytical tools: how do you assess; do you feel it was effective/helpful? do you think it could be done differently or improved. Do you have suggestions?
- 13) LGSP has three areas of focus; The Local Government (civil service), the DPRD, and Civil Society. Which do you think produces the best results? Do you think it should focus on any one of them more than others or focus on all three equally?
- 14) Given that Indonesia is large and has many jurisdictions, do you think the LGSP type of assistance could be improved by better linkages/cooperation/partnerships with local institutions, associations, universities, the private sector or provincial governments?
- 15) Do you think there are local level factors that made the project more or less effective? E.g. economic growth, educational level, urban area, local leadership size of the budget, location/proximity to the capital
- 16) In the broader picture do you think the environment/context for enhanced local government has become more or less helpful; e.g. legislation, resource allocation, will to decentralize, more effective civil society, the media etc.?
- 17) Are there some issues we have not covered that you think we should consider?
(For comparative purposes we need to ask about the size and population of the jurisdiction, and of the budget)

B) For CSOs:

The logic and sequence of the above will be followed but adapted. The focus will be on activities intended for and the changes experienced by CSOs including those intended to enhance cooperation with

local government. However with all of the above, it will be important to get civil society impressions (a form of triangulation) of the changes in council management, service delivery the role of the legislature.

C) For DPRD members: Similar with appropriate changes to focus more on the work of elected councilors and their relationship to the executive branch of local government and civil society.

D) For Non LSPG jurisdictions:

These interviews will be done in less time and depth; but we will strive to speak to representatives of local government, councils and CSOs.

We will first ascertain whether other donors work in the area and on what. This will influence/determine further questions. Beyond that we will focus our questions on 'areas of local governance' in which LGSP works in neighboring jurisdictions: e.g. quality of performance budgeting, expenditure on priority areas, quality of civic engagement etc.

E) For USAID projects

These interviews will also be much shorter in duration. We will ask about the project say in health, education economic progress, environment. We will then seek to learn what linkages if any there are or were between the LGSP and the USAID projects and what if any difference the linkage made. We will ask for examples and explanations to illustrate the effect of the LGSP on the program.

F) At the National Level

Questions will have a somewhat different focus from those listed in 1 above; and will vary depending on whether we are talking to government ministries (notably Bappenas and MOHA. Good Governance Task Force) or local government associations or national level civil society or independent experts/ observers. The most specific questions will be put to ministries. To some extent these will follow the same logic as those put to the senior local government officials; but they will be preceded by questions about national level changes and impacts and policies and reforms before moving on to get national level impressions of change at the local level.

- 1) Which LGSP programs have been carried out in or in support of your Ministry/Directorate?
- 2) Which of these have led to changes?
- 3) in policies, legislation, practice?
- 4) and implementation? [need to establish that that change is linked 'directly' and is at least partially attributable to LGSP]
- 5) Can you please give examples or show examples of these changes?
- 6) In your opinion which of these changes have made the most significant difference?
- 7) Follow up question: in case an LGSP activity in a ministry that was undertaken has not been covered: ask specifically about undertakings by LGSP?
- 8) Referring back to the improvements you have discussed, (the ones to which LGSP has contributed), which of these do you think will continue (after this program ends)?
- 9) Can you explain why you think they might continue? e.g. adequate personnel have been appointed, adequate resources have been set aside, staff are already carrying out the new practices, training has been carried out? There have been positive results? The public are supportive?
- 10) Can you suggest to us why some of the innovations/improvements are more likely to continue than others?
- 11) Concerning the way the assistance was delivered (the methods used) .e.g. training, one day

- or two day workshops, policy advice , TA advice, learning/interactive methods, follow up, analytical tools: how do you assess these; do you feel it was effective/helpful? Do you think it could be done differently or improved? Do you have suggestions?
- 12) LGSP has three areas of focus; The Local Government (civil service) the DPRD, and Civil Society. Which do you think produces the best results? Do you think it should focus on any one of them more than others or focus on all three equally?
 - 13) Given that Indonesia is large and has many jurisdictions do you think the LGSP type of assistance could be improved by better linkages/cooperation/partnerships with of local institutions, associations, universities, the private sector or provincial governments?
 - 14) Do you think there are local level factors that made the project more or less effective? E.g. economic growth, educational level, urban area, local leadership size of the budget, location/proximity to the capital?
 - 15) In the broader picture do you think the environment/context for enhanced local government has become more or less helpful; e.g. legislation, resource allocation, will to decentralize, more effective civil society, the media etc.?
 - 16) Are there some issues we have not covered that you think we should consider?

APPENDIX B. DOCUMENTS REVIEWED

1. LGSP 2007 Annual Work Plan
2. LGSP 2007 Work Plan Draft Dec. 10
3. LGSP 2008 Annual Work Plan 10/1/07 – 9/30/08
4. LGSP 2008 Work Plan Final Draft Nov. 28
5. LGSP Performance Monitoring Plan – March 2008
6. LGSP Annex compilation Dec. 3
7. LGSP AR07
8. LGSP Areas of Cooperation with USAID Partner Programs
9. LSGP Partner Jurisdictions as of Jul-08
10. LSP Quarterly 11 Oct – Dec 07
11. LGSP Contract
12. List District (DBE)
13. PM Report 07 Final to USAID
14. Quarterly Report 2 (June - September 2005)
15. Quarterly Report 3 (October - December 2005)
16. Quarterly Report 4 (January - March 2006)
17. Quarterly Report 5 (April - June 2006)
18. Quarterly Report 6 (July - September 2006)
19. Quarterly Report 7 (October - December 2006)
20. Quarterly Report 8 (January - March 2007)
21. Quarterly Report 9 Apr – Jun 07 Final
22. Quarterly Report 10 Jul – Sep 07
23. Quarterly Report 11 October - December 2007
24. Quarterly Report 12 Jan-March 08
25. Quarterly Report 12B Annexes
26. RTI LGSP MOD#11 05-0017
27. USAID BHS partners working areas (version2) 6-07
28. Annual Report 2007
29. Annual Report 2006
30. Good Governance Brief – LGSP Aceh Election Support
31. Good Governance Brief - Financial Management
32. Good Governance Brief - Musrenbang as a Key Driver in Effective Participatory Building
33. Notes on Implementation of Local Government Work Plan Musrenbang in Certain Districts and Cities in 2008
34. Local Government Financial Management Reform in Indonesia
35. Local Governance Assessment Tools
36. Indonesia Annual Public Opinion Survey, 2007 Report
37. Citizens' Perceptions of Democracy and Local Governance (Governance Opinion Polls)
38. Citizen Report Card: A Handbook for Civic Monitoring of Public Services
39. Promoting Citizen Pacipation in Local Governance in Indonesia: Practices, Policies and Agenda (study of citizen engagement in local governance)
40. 2006 PMP Results Report
42. 2006 Provisional PMP Results for Indicators 2.1, 2.2 and 2.3
43. Interim Work Plan March 2005- September 2006
44. Local Government Assessment Tool: A Gauge for Good Governance, April 24, 2008
45. Citizens' Perceptions of Democracy and Local Governance, March 2008
46. Mid-Term Appraisal of Public Service Improvements in LGSP Target Jurisdictions 2006
47. SIAP Effectiveness Appraisal 2007

48. SIAP Performance Appraisal, May 2008
49. Report on Budget Submittals 2008, Ministry of Finance's Directorate for Financial Sharing
50. Decentralization and Public Service Delivery, Preliminary Results from the Governance and Decentralization Survey
51. Final Report, Condition of Aceh Journalists after Tsunami and Conflict, Survey on Aceh Journalists, 2005
52. Lewis, Blane D., and Daan Pattinasarany, "Determining Citizen Satisfaction with Local Public Education in Indonesia: The Significance of Actual Service Quality and Governance Conditions" (Jakarta: Asia Foundation, 1 February 2008, unpublished).
53. World Bank, Survey Manual: Governance and Decentralization Survey (GDS 2) (Jakarta: World Bank, Decentralization Support Facility, 2006).
54. Blair, Harry, "Participation and Accountability at the Periphery: Democratic Local Governance in Six Countries," *World Development*, 28, 1 (January 2000), 21-39.
55. Manor, James, *The Political Economy of Democratic Decentralization* (Washington, World Bank, 1999).

APPENDIX C. MINISTRY OF HOME AFFAIRS'S MANDATE TO SUPERVISE LOCAL GOVERNANCE

MoHA is the major central government institution with a strong line connection to provincial and district governments. The Ministry generally functions as a supervisory and advisory body for local governments. In this regard, it holds various central mandates, including:

- a) Directing and supervising local governments³²;
- b) Providing authorization for the formation of new local government³³;
- c) Receiving reports from Governors and Majors/Bupatis in regard of the management of their local government performance, at least once a year³⁴;
- d) Appointing temporary officers to take over the job of Governors and Majors/Bupatis when they were not functioning³⁵;
- e) Providing authorization for a DPRD when it wants to impeach a Governor or Mayor/Bupati³⁶;
- f) Providing authorization for the investigation of a Governor, Major/Bupati or DPRD when they were alleged to be involved in criminal activities³⁷;
- g) Providing legalization for the termination of Majors/Bupatis and DPRD members³⁸;
- h) Legalizing and inaugurating new elected Governors, Majors and Bupatis³⁹;
- i) Coordinating the supervision and direction of local government's civil servants⁴⁰;
- j) Regulating the exploration of natural resources, DAU (*Dana Alokasi Umum*—general budget allocation), DAK (*Dana Alokasi Khusus*—special budget allocation), and tax sharing⁴¹;
- k) Authorizing local governments in making agreement and receiving loans and grants from foreign institutions⁴²;
- l) Supervising and controlling local government budget⁴³;
- m) Directing, supervising, and legalizing local government regulations⁴⁴;
- n) Resolving dispute among local governments⁴⁵;

Further bolstering MoHA's position is GR 38/2007 article 9, which stipulates that:

Point 1: “Ministers/heads of non-departmental agencies decide norms, standards, procedures, and criteria for obligatory and optional authority (of regional governments)”;

Point 3: “the determination of norms, standards, procedures, and criteria as addressed in article (1) should involve interrelated stakeholders and be coordinated with the Ministry of Home Affairs”.

³² ALGSPcle 222 law 32/2004

³³ ALGSPcle 5 law 32/2004

³⁴ ALGSPcle 27 law 32/2004

³⁵ ALGSPcle 34 law 32/2004

³⁶ ALGSPcle 53 law 32/2004

³⁷ ALGSPcle 54 law 32/2004

³⁸ ALGSPcle 55 and 56 law 32/2004

³⁹ ALGSPcle 109 and 111 law 32/2004

⁴⁰ ALGSPcle 135 law 32/2004

⁴¹ ALGSPcle 163 law 32/2004

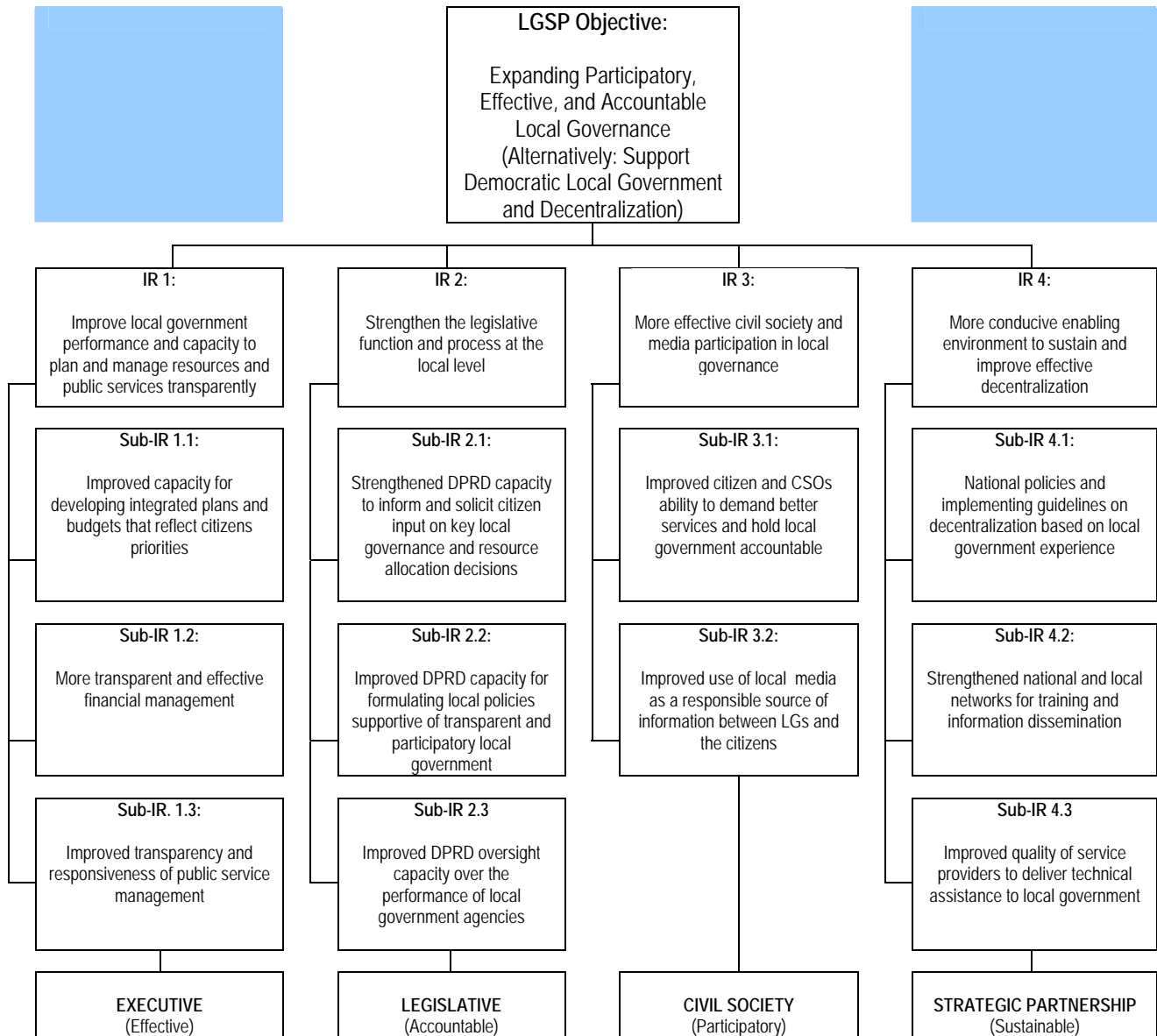
⁴² ALGSPcle 170 law 32/2004

⁴³ ALGSPcle 175 law 32/2004

⁴⁴ ALGSPcle 185 law 32/2004

⁴⁵ ALGSPcle 198 law 32/2004

APPENDIX D: RESULTS FRAMEWORK



APPENDIX E. LGSP PARTNER LOCAL GOVERNMENTS AND USAID PARTNER PROJECTS

Province		Jurisdictions	Batch	Start date	End date	Service Improvement Priority Areas				USAID Partner Projects (MBE, DBE, HSP, ESP, SWS, Senada, Amarta)
						Health	Basic Education	Economic Growth (*)	Environmental Services	
Nanggroe Aceh Darussalam	1	Kota Banda Aceh	1	April 07,2005	30-Sep-09		1	1	1	ESP, DBE
	2	Kab. Aceh Besar	1	29-Jun-05	30-Sep-09		1		1	DBE, HSP
	3	Kab. Aceh Jaya	1	July 22,2005	30-Sep-09				1	HSP
	4	Kab. Nagan Raya	1	July 22,2005	30-Sep-09		1	1		
	5	Kab. Aceh Barat	1	July 22,2005	30-Sep-09			1	1	HSP
	6	Kab. Pidie	2	Januari 01,2008	30-Sep-09					DBE
	7	Kab. Pidie Jaya	2	Januari 01,2008	30-Sep-09					
	8	Kab. Aceh Utara	2	Januari 01,2008	30-Sep-09					
	9	Kab. Bireuen	2	Januari 01,2008	30-Sep-09					
	10	Kab. Aceh Timur	2	Januari 01,2008	30-Sep-09					
	11	Kab. Aceh Tamiang	2	Januari 01,2008	30-Sep-09					
	12	Province NAD	2	April 07,2008	30-Sep-09					
West Sumatra	1	Kota Padang Panjang	1	Sept, 2005	14-May-07		1	1		
	2	Kab. Solok	1	Sept, 2005	14-May-07		1	1	1	ESP, SWS, HSP
	3	Kab. Tanah Datar	1	Sept, 2005	14-May-07		1	1	1	ESP, SWS, HSP
	4	Kab. Padang Pariaman	1	Sept, 2005	14-May-07					ESP
Sub Total:	5	Kota Solok	1	Sept, 2005	14-May-07			1	1	ESP
6	6	Kota Bukittinggi	1	Sept, 2005	14-May-07				1	ESP
North Sumatra	1	Kab. Karo	1	29-Sep-05	30-Sep-08			1	1	ESP, AMARTA, HSP
	2	Kab. Serdang Bedagai	1	30-Sep-05	30-Sep-08		1			HSP
	3	Kab. Deli Serdang	1	6-Apr-06	30-Sep-08	1			1	DBE, HSP, ESP
	4	Kab. Simalungun	2	4-Jul-06	30-Sep-09					HSP
	5	Kab. Pematang Siantar	2	4-Jul-06	30-Sep-09			1		HSP
	6	Kota Sibolga	2	4-Jul-06	30-Sep-09				1	HSP, DBE, ESP
	7	Kota Binjai	2	4-Jul-06	30-Sep-09	1			1	DBE, SWS, ESP
	8	Kota Tebing Tinggi	2	6-Jul-06	30-Sep-09			1		DBE
	9	Nias	1	June, 2006	June, 2006					
West Java	1	Kab. Sukabumi	1	27-Sep-05	30-Sep-07	1		1	1	ESP, DBE, HSP
	2	Kota Depok	1	05-Oct-05	30-Sep-07		1			
	3	Kota Bogor	1	01-Sep-05	30-Sep-07	1		1	1	ESP, SWS, DBE
	4	Kota Tasikmalaya	1	05-Oct-05	30-Sep-07		1	1		Senada
	5	Kab. Bandung	2	06-May-06	30-Sep-07	1		1	1	ESP, HSP, SWS
	6	Kota Sukabumi	2	18-Apr-06	30-Sep-07				1	ESP, SWS, DBE
	7	Kota Bandung	2	23-May-06	30-Sep-07		1	1	1	ESP, HSP
	8	Kab. Cianjur	2	02-May-06	30-Sep-07	1	1	1	1	ESP, HSP
	9	Province West Java	0	07-Dec-07	June, 2009					
Central Java	1	Kab. Boyolali	1	Sep-05	Sep-08	1	1			DBE (sept 2005 - June 2008)
	2	Kab. Sukoharjo	1	Sep-05	Sep-08	1		1		MBE (till March 2007)
	3	Kab. Kebumen	1	Sep-05	Sep-08			1		MBE (till March 2007)
	4	Kab. Semarang	2	May-06	30-Sep-09	1		1		MBE (till March 2007)
	5	Kab. Jepara	2	May-06	30-Sep-09		1	1		DBE (sept 2005 - June 2008)
	6	Kab. Klaten	2	May-06	30-Sep-09					DBE (sept 2005 - June 2008)
	7	Kab. Karanganyar	2	May-06	30-Sep-09		1	1		DBE (sept 2005 - June 2008)
	8	Kab. Kudus	2	May-06	30-Sep-09	1	1			DBE (sept 2005 - June 2008)
	9	Kab. Pacitan	1	Sep-05	Sep-08		1			MBE, ESP
	10	Province Central Java	1	2008	2008					DBE, ESP, Senada, SWS
East Java	1	Kota Kediri	1	17-Oct-05	30-Sep-08		1	1		HSP
	2	Kab. Bangkalan	1	15-Dec-05	30-Sep-08					MBE, DBE
	3	Kab. Probolinggo	1	30-Sep-05	30-Sep-08		1	1		MBE
	4	Kota Madiun	2	13-Mar-06	30-Sep-09	1	1			ESP, SWS
	5	Kota Malang	2	2-Jun-06	30-Sep-09		1	1	1	ESP, HSP, SWS, MBE, Senada
	6	Kab. Malang	2	6-Jun-06	30-Sep-09		1	1	1	DBE, ESP, Senada, HSP
	7	Kab. Sidoarjo	2	30-Aug-06	30-Sep-09				1	ESP, DBE, Senada
	8	Kota Mojokerto	2	14-Jun-06	30-Sep-09			1	1	ESP, MBE, DBE, Senada
	9	Kota Batu	2	27-Jun-06	30-Sep-09			1	1	
	10	Kab. Kediri	1	26-Jul-06	30-Sep-09	1	1			

Province		Jurisdictions	Batch	Start date	End date	Service Improvement Priority Areas				USAID Partner Projects (MBE, DBE, HSP, ESP, SWS, Senada, Amarta)
						Health	Basic Education	Economic Growth (*)	Environmental Services	
South Sulawesi	1	Kota Pare-Pare	1	30-Sep-05	30-Sep-08	1	1			
	2	Kab. Pinrang	1	30-Sep-05	30-Sep-08	1	1			DBE
	3	Kab. Takalar	1	30-Sep-05	30-Sep-08			1		
	4	Kota Palopo	2	6-Jul-06	30-Sep-09			1		DBE
	5	Kab. Pangkajene Kepulauan	2	6-Jul-06	30-Sep-09			1		DBE
	6	Kab. Enrekang	2	6-Jul-06	30-Sep-09	1		1		DBE
	7	Kab. Soppeng	2	6-Jul-06	30-Sep-09	1		1		DBE
Sub Total:	8	Kab. Jeneponto	2	6-Jul-06	30-Sep-09		1			DBE
	9	Kab. Gowa	2	31-Jul-06	30-Sep-09	1	1			
Banten	1	Kota Tangerang	1	30-Sep-05	30-Jul-07		1			SWS,DBE
Sub Total:	2	Kab. Lebak	2	11-Apr-06	1-Jul-07	1	1			DBE
2	-	-	-	-	-	-	-	-	-	-
West Papua	1	Kota Sorong	2	30-Jun-07	30-Sep-09					BDE
	2	Kab. Sorong	2	30-Jun-07	30-Sep-09					
	3	Kab. Manokwari	2	30-Jun-07	30-Sep-09					DBE
Sub total:	4	Kab. Fakfak	2	30-Jun-07	30-Sep-09					
5	5	Kab. Kaimana	2	30-Jun-07	30-Sep-09					
TOTAL	#REF!					6	6	5	0	

NOTES:

As of July 2008, the LGSP program has been completed in 18 jurisdictions; will end in September 2008 in 13 present jurisdictions; and will continue to September 2009 in the remaining 41 jurisdictions.

Most of technical operations will end in June 2009 although LGSP as a whole will end in September 09.

DBE = Decentralized Basic Education; HSP = Health Services Program; SWS = Safe Water Systems; ESP = Environmental Service Program;

MBE = Managing Basic Education; Senada and Amarta = programs of USAID's Economic Growth Office on value chains (Senada) and on agriculture (Amarta).

[Aceh local governments in blue color are 100% funded by SPADA MDF funds.](#)

APPENDIX F. LGSP GOOD GOVERNANCE INDEX

No	Principles of Good Governance	Indikator	Kota Banda Aceh	Kab. Aceh Besar	Kab. Aceh Barat	Kab. Aceh Jaya	Kab. Nagan Raya	Kab. Solok	Kota Bukit Tinggi	Kab. Tanah Datar	Kab. Padang Pariaman	Kota Padang Panjang	Kota Solok	Kab. Tanah Karo	Kab. Serdang Begadai	Kab. Deli Serdang	Kab. Kabumen	Kab. Boyolali	Kab. Sukoharjo	Kab. Sukabumi	Kota Tasikmalaya	Kota Bogor	Kota Depok	Kab. Bangkalan	Kab. Probolinggo	Kota Kediri	Kota Madiun	Kab. Pacitan	Kota Tangerang	Kota Parepare	Kab. Pinrang	Kab. Takalar
1	Participation	In general, DPRD members in Kabupaten/Kota consult citizens on a regular basis to understand people's needs and priorities before they make laws, approve LG plans, and make resource allocation decisions"? (Base : All Respondents)	2.79	2.18	2.45	2.63	2.56	2.66	2.51	2.66	2.80	2.71	2.65	2.14	2.39	2.47	2.60	2.17	2.59	2.39	2.26	2.20	2.27	2.29	2.13	1.96	2.30	2.05	2.39	2.17	2.61	2.32
2		In general, Local Government in Kabupaten/Kota consult citizens on a regular basis to understand people's needs and priorities before they make laws, approve LG plans, and make resource allocation decisions"? (Base : All Respondents)	2.88	2.26	2.37	2.66	2.46	2.67	2.55	2.66	2.81	2.75	2.67	2.42	2.44	2.52	2.66	2.15	2.69	2.46	2.28	2.22	2.28	2.51	2.70	2.46	2.49	2.36	2.40	2.26	2.64	2.41
3		Have you over the past one year participated in public hearings organized by the DPRD in Kabupaten/Kota to review the performance of local government entities? (Base : All Respondents)	1.48	1.02	1.15	1.50	1.49	1.17	1.28	1.24	1.19	1.56	1.35	1.35	1.52	1.28	1.19	1.21	1.12	1.17	1.17	1.10	1.12	1.19	1.54	1.13	1.48	1.11	1.05	1.41	1.21	1.22
4		Do you agree that the consultation processes and forums used by the DPRD members in Kabupaten/Kota Over the past year, did women's organization(s) participate in public hearings or other forums organized by the DPRD in Kabupaten/Kota (Base : All Respondents)	3.09	2.22	2.68	2.70	2.72	2.82	2.62	3.04	2.92	2.94	2.95	2.36	2.59	2.68	2.90	2.36	2.72	2.72	2.56	2.40	2.44	2.75	2.68	2.62	2.70	2.39	2.61	2.48	2.87	2.54
5		Over the past year, disabled's organization(s) participate in public hearings or other forums organized by the DPRD in Kabupaten/Kota (Base : All Respondents)	1.67	1.37	1.30	1.41	1.26	1.81	1.67	1.54	1.71	2.19	2.01	2.07	1.67	1.95	2.52	1.66	1.46	1.44	1.17	1.31	1.58	1.57	2.23	1.38	2.20	1.88	1.26	2.20	1.99	1.15
6		Over the past year, disabled's organization(s) participate in public hearings or other forums organized by the DPRD in Kabupaten/Kota (Base : All Respondents)	1.49	1.09	1.00	1.21	1.09	1.28	1.13	1.16	1.18	1.47	1.51	1.13	1.10	1.04	1.38	1.03	1.03	1.00	1.07	1.09	1.27	1.02	1.02	1.09	1.51	1.79	1.07	1.27	1.15	1.06
7		Do you agree with the statement, I can contact a DPRD member(s) directly to present my views and opinion or to discuss issues that matter to my community? (Base : All Respondents)	2.78	2.33	2.54	2.37	2.41	2.48	2.53	2.69	2.72	2.84	2.69	2.09	2.40	2.41	2.30	2.03	2.50	2.38	2.34	2.15	2.13	2.19	2.25	1.96	2.06	2.04	2.41	2.19	2.39	2.26
8		Do you agree with the statement, I can contact local officials directly to present my views and opinion or to discuss issues that matter to my community? (Base : All Respondents)	2.86	2.38	2.55	2.47	2.41	2.55	2.52	2.65	2.70	2.85	2.71	2.43	2.48	2.49	2.33	2.04	2.57	2.46	2.36	2.15	2.13	2.33	2.56	2.37	2.28	2.12	2.42	2.28	2.44	2.44
9		Have you ever expressed your concerns and priorities regarding local government plans, policies, and services to DPRD members, the Bupati/Mayor or Pemda/Dinas in Kabupaten/Kota? (Base : All Respondents)	1.28	1.09	1.07	1.76	1.34	1.28	1.28	1.13	1.15	1.58	1.44	1.02	1.14	1.02	1.16	1.06	1.16	1.06	1.11	1.08	1.16	1.05	1.59	1.35	1.15	1.11	1.05	1.21	1.14	1.11
10		The current DPRD members in Kabupaten/Kota represent my views and interests? (Base : All Respondents)	2.53	2.35	2.51	2.39	2.31	2.77	2.59	2.68	2.70	2.75	2.64	2.30	2.75	2.50	2.79	2.29	2.71	2.46	2.38	2.35	2.44	2.87	2.72	2.53	2.57	2.60	2.64	2.58	2.69	2.56
PARTICIPATION INDEX			2.29	1.83	1.96	2.11	2.00	2.15	2.07	2.15	2.19	2.36	2.26	1.93	2.05	2.04	2.18	1.80	2.05	1.95	1.87	1.81	1.88	1.98	2.14	1.88	2.07	1.95	1.93	2.00	2.11	1.91
11	Transparency	Does the local government in Kabupaten/Kota provide information regularly to citizens about its plans and performance? (Base : All Respondents)	1.83	1.19	1.19	1.28	1.24	2.45	1.89	2.30	2.05	2.57	2.20	1.76	1.70	1.93	2.23	1.82	1.74	1.47	1.95	1.52	1.79	1.53	2.37	1.50	2.34	1.66	1.44	2.31	1.73	2.07
12		How clear and accurate is the information provided by the local government in Kabupaten/Kota? (Base : Respondents answer YES in Indicator 11)	2.90	3.00	3.00	2.91	3.00	2.98	2.74	2.89	2.85	2.88	2.88	2.97	3.00	2.98	3.03	2.93	2.93	2.94	2.91	3.00	2.98	2.94	3.06	3.12	3.01	3.00	2.89	2.95	3.00	2.89
13		Were you able to get the information you requested? (Base : Respondents who try to get information)	3.20	2.13	2.83	2.05	2.68	2.60	3.38	3.24	2.93	3.25	3.14	3.38	2.76	2.82	3.00	3.06	3.41	2.64	2.85	3.45	3.17	2.83	3.04	3.25	2.71	3.74	2.73	3.15	3.14	3.00
TRANSPARENCY INDEX			2.64	2.11	2.34	2.08	2.31	2.68	2.67	2.81	2.61	2.90	2.74	2.70	2.49	2.58	2.75	2.60	2.69	2.35	2.57	2.66	2.65	2.43	2.82	2.62	2.69	2.80	2.36	2.80	2.63	2.65
14	Accountability	Have you or the main organization you belong to investigated and reported on the performance of local government entities and officials in Kabupaten/Kota (Base : Respondents who join the organization)	2.20	1.13	1.27	2.50	1.58	1.62	1.25	1.49	1.86	1.80	2.21	1.26	1.15	1.18	1.14	1.07	1.17	1.30	1.10	1.14	1.17	1.08	1.77	1.09	1.05	1.89	1.11	2.67	2.07	2.50
15		Do you believe that the investigation and report has produced an improvement on the performance of local government entities and officials in Kabupaten/Kota (Base : Respondents whose organization investigated & reported performance of local government)	2.67	1.00	1.00	2.93	1.43	3.00	4.00	2.50	3.50	2.76	3.47	4.00	3.40	2.00	3.50	3.00	2.00	2.71	4.00	4.00	4.00	3.00	3.61	4.00	2.50	3.65	4.00	3.20	3.40	3.00
ACCOUNTABILITY INDEX			2.43	1.07	1.14	2.71	1.51	2.31	2.63	1.99	2.68	2.28	2.84	2.63	2.27	1.59	2.32	2.04	1.58	2.01	2.55	2.57	2.58	2.04	2.69	2.55	1.78	2.77	2.55	2.93	2.74	2.75
16	Profesionalisme	Do you agree with the statement, "In my district, local civil service employees who deliver public services generally treat me properly and professionally"? (Base : All Respondents)	2.66	2.57	2.69	2.47	2.60	2.96	2.86	3.00	3.00	2.98	2.92	2.69	2.79	2.87	3.06	2.96	2.92	2.84	2.91	2.50	2.77	3.01	3.01	2.92	3.08	2.85	2.79	2.70	2.89	2.94
GOOD GOVERNANCE INDEX			2.51	1.89	2.03	2.34	2.11	2.52	2.56	2.49	2.62	2.63	2.69	2.49	2.40	2.27	2.58	2.35	2.31	2.29	2.47	2.38	2.47	2.36	2.67	2.49	2.41	2.59	2.41	2.61	2.59	2.56

APPENDIX G: EVALUATION SCOPE OF WORK

C.1.STATEMENT OF WORK

C.1.1. Summary

USAID/Indonesia intends to award a contract for an evaluation to assess impact and lessons learned of its Local Governance Support Program (LGSP). LGSP is a 4 ½ year, \$61.87 million project to expand participatory, effective and accountable local governance in Indonesia. The evaluation team should consist of International and Indonesian experts with extensive experience in evaluation methodology, local governance and decentralization. It is anticipated that the team start its field work by June 2, 2008.

C.1.2. Background

In March 2005, USAID/Indonesia launched the Local Governance Support Program (LGSP), a \$61.87 million technical assistance initiative to support Indonesia's decentralization by helping local governments to become more democratic, more competent of the core tasks of governance, and more capable of supporting improved service delivery and management of resources. A major part of the Democracy and Decentralized Governance (DDG) portfolio, LGSP supports the intermediate result of "expanding participatory, effective and accountable local government" under the 2004 -2008 USAID/Indonesia Strategic Framework. Under the new USG Foreign Assistance Framework, LGSP works under the Governing Justly and Democratically Objective, Good Governance Area and Local Government and Decentralization program element.

Operating in nine provinces of Indonesia, LGSP (March 2005 – September 2009) expands participatory, effective, and accountable local governance by providing training, technical assistance and other capacity building support to local administrations, locally elected counsels and civil society in the following areas:

- Improved local government performance and capacity to plan and manage resources and public services transparently. Local governments must be more effective in three priority action areas: planning, budgeting and management of public services;
- Strengthened legislative function and process at the local level. Local legislative councils must be accountable to their constituents by fulfilling their roles in representation, policy-making, and oversight; and
- More effective civil society and media participation in local governance. Citizens and media must be able to participate and influence governance and local governments must be able to provide a participatory environment for engaging citizens.

In its original design, LGSP was to provide direct technical assistance to 100 local governments. To respond to changing environment and priorities, the number of target local governments was subsequently reduced to about 65 and greater emphasis was placed on scaling up good practices nationally through various dissemination methods. As a result, another area of assistance was added as follows:

More conducive enabling environment to sustain and improve effective decentralization. A sustainable system needs to be established that includes: national and local networks for training and service providers, sharing of information among local governments, central government guidance and policy briefs that probe critical issues confronting local governments and inform national level decision makers. This also involved greater engagement and partnership with Central Government, especially Ministry of Home Affairs.

LGSP program includes two special regions of Aceh and West Papua. In Aceh province, LGSP's early emphasis was on assisting 5 targeted local governments to facilitate Tsunami recovery. Since that time, the program shifted its emphasis to strengthening the management capacities of district and provincial government to better prepare them for the responsibilities of special autonomy and closure of the Rehabilitation and Reconstruction Agency (BRR). The World Bank and the Multi-Donor Fund for Aceh and Nias are now directly funding RTI to expand the program to an additional 6 local governments.

In West Papua, LGSP is working in 5 jurisdictions with emphasis on improving accountability systems for planning and managing increased revenue flows from special autonomy and natural resources. The West Papua Program, also called the "Bird's Head Governance Initiative", is co-funded through a public private alliance between USAID and BP Berau, Ltd.

To date, LGSP has developed and implemented technical assistance and training plans with 57 local governments in 9 provinces. LGSP training and technical assistance is aimed at helping partner local administrations improve skills and systems and adopt improved practices for planning, budgeting and financial management. LGSP support for service delivery responds to locally identified service priorities by helping local governments plan and manage services that better respond to citizen priorities. Assistance is also provided to civil society organizations and local legislatures (DPRD) so that they can play a more active and productive role in holding their local government accountable.

LGSP is disseminating various tools and methodologies through provincial and national partners in an effort to reach more local governments. At central government level, LGSP has been supporting Government of Indonesia (GoI) in preparing guidelines and regulations related to participatory planning, minimum service standards, local government assessment, service contracting and a national capacity building framework.

LGSP Partner Jurisdictions

LGSP is currently or has supported the following jurisdictions (listed by Province):

Nanggroe Aceh Darussalam(NAD)

Kota Banda Aceh
Kabupaten Aceh Besar
Kabupaten Aceh Jaya
Kabupaten Nagan Raya
Kabupaten Aceh Barat
Province of NAD

West Sumatra

Kota Padang Panjang
Kabupaten Solok
Kabupaten Tanah Datar Kabupaten Padang Pariaman
Kota Solok
Kota Bukittinggi

North Sumatra

Kabupaten Karo
Kabupaten Serdang Bedagai
Kabupaten Deli Serdang
Kabupaten Simalungun
Kabupaten Pematang Siantar
Kota Sibolga

Kota Binjai
Kota Tebing Tinggi

West Java

Kabupaten Sukabumi
Kota Depok
Kota Bogor
Kota Tasikmalaya
Kabupaten Bandung
Kota Sukabumi
Kota Bandung
Kabupaten Cianjur

Central Java

Kabupaten Boyolali
Kabupaten Sukoharjo
Kabupaten Kebumen
Kabupaten Semarang
Kabupaten Jepara
Kabupaten Klaten
Kabupaten Karanganyar
Kabupaten Kudus

East Java

Kota Kediri
Kabupaten Pacitan
Kabupaten Bangkalan
Kabupaten Probolinggo
Kota Madiun
Kota Malang
Kabupaten Malang
Kabupaten Sidoarjo
Kota Mojokerto
Kota Batu
Kabupaten Kediri

South Sulawesi

Kota Pare-Pare
Kabupaten Pinrang
Kabupaten Takalar
Kota Palopo
Kabupaten Pangkajene Kepulauan
Kabupaten Enrekang
Kabupaten Soppeng
Kabupaten Jeneponto
Kabupaten Gowa

Banten

Kota Tangerang
Kabupaten Lebak

West Papua

Kota Sorong

Kabupaten Sorong Selatan

Kabupaten Manokwari

Kabupaten Fakfak

Kabupaten Kaimana

C.2.PURPOSE OF THE EVALUATION

The purpose of the evaluation is to provide USAID management with empirically-based information about (1) the extent to which LGSP is meeting its intended result of expanding more effective, accountable and participatory local governance and (2) lessons learned regarding thematic focal areas and approaches used during program implementation. USAID is interested in understanding the impact of its investment in the LGSP program on improving implementation of Indonesia's decentralization. Given the broad range of LGSP activities, lessons learned should focus on identifying what works and doesn't work in strengthening local governance and decentralization.

Based on its findings, the evaluation should also make practical recommendations to USAID on both (1) how LGSP can maximize impact and sustainability during the remaining implementation period and, more importantly, (2) approaches that USAID may consider in possible future decentralization and local government programs.

C.3.EVALUATION CONTEXT AND QUESTIONS

The overarching questions for this evaluation are:

1. Impact: What has been LGSP's impact, at both regional and national level, in expanding effective, accountable and participatory local government in Indonesia?

Since the majority of LGSP resources were directed at support to district and city governments, the analysis of impact should emphasize its impact on partner jurisdictions. Further to the question of **impact**, the evaluation should respond to the following questions.

- a. To what extent has LGSP assistance resulted in sustainable and positive changes in how local government functions? For example, what are the improvements in planning and budgeting process, legislative function and civil society participation in LGSP jurisdictions? Are these improvements significant and sustainable? Are there measurable differences among jurisdictions where LGSP worked and didn't work?
- b. LGSP was designed to lay the foundation of good local governance necessary for improved service delivery, but it was not intended to provide direct assistance to local government service delivery. Given this context, what has LGSP's impact on local government management of services been? In districts where LGSP collaborated with other USAID projects that did emphasize service delivery, what impact did LGSP assistance have on local service delivery capacity or performance? Were there measurable differences in districts where LGSP worked and didn't work? For example, are LGSP supported jurisdictions able to expend more of their budget on priority services than non-LGSP jurisdictions?
- c. LGSP has worked in nine Indonesian provinces including Aceh and West Papua. Are there significant differences in LGSP impact across the regions or provinces where it works?
- d. LGSP provides direct technical assistance to Ministry of Home Affairs/Regional Development Directorate, Ministry of Home Affairs/Regional Autonomy Directorate and Ministry of National

Planning/Good Governance Task Force to develop guidance and regulations in support of decentralization. What was been the impact of this assistance? For example, are there specific policies or other reforms that can be directly attributed to LGSP assistance?

2. Lessons Learned: Which approaches used by LGSP work and which don't work? What lessons learned from LGSP should USAID consider in designing future decentralization and local government programs?

While the evaluation of **lessons learned** should not be limited to answering these questions, USAID is particularly interested in the following (in order of priority). When relevant, the evaluation should consider differences among provinces where LGSP works.

- a. LGSP design called for a comprehensive approach to local governance assistance that strengthened the role of local administrations, local councils (DPRD) and civil society in improving local governance. This was a departure from previous USAID/Indonesia local government programs and unique among donors supporting Indonesia's decentralization. What was achieved by using this approach? How well did this approach work in jurisdictions where there was not adequate interest or participation by one or more of the sectors? Given the labor intensity of this approach, was it worth it? Given the inherent weaknesses of local legislative councils in Indonesia, does it make sense to assist them?
- b. Further to C.3.1.a above, was LGSP's approach to service delivery and management of services adequate? What could be done in future program design to improve linkage and impact on service delivery?
- c. LGSP developed tools, methodologies and modules which they delivered to partner local governments and also scaled up and disseminated more widely through partnership with provincial and national government, training institutions, universities and NGOs. Is there evidence that these tools and methodologies are sustainable and will be used beyond LGSP? Where sustainability is determined likely, what are the factors that led to sustainability?
- d. Based on LGSP experience, what criteria should USAID use in selecting sites for future local governance programs?

C.4.EXISTING INFORMATION SOURCES

Existing information sources and previous studies that are relevant to the LGSP evaluation include the following:

From LGSP

(Note: most of these are available from LGSP's website <http://www.lgsp.or.id>)

- Annual work plans;
- Performance Monitoring Plans and performance reports;
- Annual Reports;
- Quarterly Reports;
- Good Governance Briefs;
- Local Government Workplans;
- Baseline and annual updates on GJD indicators and more than 30 other performance measures;
- Rapid Impact Assessments in selected local governments;
- Public Finance Management Surveys in selected local governments;

- Governance Opinion Polls conducted in 50 local governments (baselines conducted in 2006 and 2007) and exit surveys in 16 jurisdictions of West Sumatra and West Java in 2007);
- Local Governance Assessment Tool (LGAT) and Good Governance Index (GGI) carried out in selected jurisdictions;
- Citizen Report Card 2007/2008 (Padang Panjang, Semarang, Gowa);
- Comparative Study of citizen engagement in public services and budget in LGSP jurisdictions of West Java, East Java and South Sulawesi

Other Information Sources:

- World Bank's Indonesia Governance and Decentralization Survey conducted in 2006 and 2007
- USAID Monitoring Report on Service Improvement Action Planning (SIAP)
- Indonesia's Annual Public Opinion survey on Democracy and Governance, prepared for USAID by Democracy International
- 2006 Stocktaking on Indonesia's Recent Decentralization Reforms, prepared by USAID Democratic Reform Support Program (DRSP) for the Donor Working Group on Decentralization.

C.5.EVALUATION METHODOLOGY

The evaluation team should identify appropriate quantitative and qualitative techniques to address the evaluation questions raised above. The evaluation team is expected to base their conclusion on empirical evidence gathered from a variety of sources which should include both primary and secondary sources. Secondary sources include, but are not limited to, the information sources noted above. The evaluation team should use a sound methodological approach that may include, but is not limited to, field visits to project areas, interviews with relevant central and local government officials and focus groups discussions with beneficiaries and stakeholders.

The evaluation team is expected to meet with USAID, LGSP staff (including relevant sub-contractors), program clients and beneficiaries, key donors working on decentralization, relevant GOI stakeholders, and key partners and stakeholders at the regional and local level in order to gain a first person perspective on the program environment and the experience and perceptions of various stakeholders.

LGSP has worked in almost 60 local governments. While it is not expected that the evaluation team will visit every local government, the team should visit a representative sample of local governments – both in terms of size and regional location. In addition to visiting LGSP assisted jurisdictions, it is expected that the contractor will visit jurisdictions that did not receive LGSP assistance for comparison. The contractor should propose, subject to USAID approval, the number and location of jurisdictions and regions to be visited that is consistent with achieving the objectives and requirements of this SOW. It is expected that the evaluation team will visit local government partners and other stakeholders in Aceh Province and West Papua.

C.6.TEAM COMPOSITION AND PARTICIPATION

USAID expects the evaluation team to be constituted by a mix of both Indonesian and International technical experts.

The **team leader** (key personnel) should have at least 15 years of experience evaluating decentralization programs, comparative international decentralization and local governance expertise, past experience leading similar evaluation teams, excellent oral and written communication skills, appropriate academic credentials and the ability to manage a multi-cultural team. He/she should be fluent in English and have strong presentation skills. He/she should have at least 20 years of international development experience. Familiarity with Indonesia development condition is highly preferable.

In addition to a team leader, the contractor should propose, at minimum, three technical team members and additional administrative staff with an appropriate combination of skills and expertise to carry out the evaluation. All technical staff should have evaluation experience, as well as specific decentralization/local governance knowledge as described below. The contractor should include appropriate staff to handle administrative and translation needs of the evaluation team.

Among the technical team members there should be knowledge and experience in the following areas:

- Impact Evaluation and evaluation methodologies (including focus group discussions, in-depth interviewing, survey, case study, etc.);
- Comparative International Decentralization and Local Governance;
- Decentralization implementation including knowledge of relevant laws and policies related to decentralization in Indonesia;
- Local Government Service Delivery;
- Citizen participation and role of civil society at local level;
- Local Government Budgeting and Financial Management;
- Participatory Planning;
- Local Government Capacity Development;
- Legislative process at local level;
- Knowledge of Indonesian public sector and political processes affecting local governance;
- Ability to communicate in both English and Bahasa Indonesia.

USAID is considering inviting a representative of the Ministry of National Planning (Bappenas) to participate as part of the evaluation team. If a Bappenas representative does participate, the contractor may be required to pay for his/her travel costs. In addition, USAID reserves the right to participate in site visits as required and as time allows. Such costs associated with USAID travel shall be borne by USAID.

C.7.SCHEDULE, TRANSPORTATION AND LOGISTICS

Schedule: The evaluation team shall submit a Work Plan and schedule, subject to USAID approval, within 10 days from signing of the Task Order.

The estimated time necessary to complete the field work for this project is 40 days from approval of the Work Plan. A minimum of 20 days (with a six-day work week authorized) should be spent in-country. Country travel clearance must be obtained from USAID Mission prior to departure to Indonesia and this can be completed following the approval of a Work Plan and Schedule. The final evaluation report is due within 10 days of the completion of field work.

Travel and Transportation: In-country travel will be the responsibility of the contractor. Land transportation in the field (local airport to regional offices, regional office to communities) will be the responsibility of the contractor.

Logistics: The team will be responsible for providing its own workspace, office supplies, computers, communications (cell phone rental), accommodation, translation and clerical services. The team will also be responsible for setting up and managing of all its meetings. USAID will supply the necessary contact information and appropriate introductions, as needed, after the Work Plan and schedule has been approved.

C.8.REPORTING AND DISSEMINATION REQUIREMENT

The following reports and deliverables are required:

1. An evaluation work plan, subject to USAID approval, that describes methodology, locations of proposed field visits, evaluation instruments (including questionnaires) and schedule to be presented within ten days after the task order has been awarded.
2. A debriefing session of the evaluation findings, to be presented verbally to USAID in Jakarta upon return from all field visits;
3. Prior to the departure of the international team members, an exit debriefing meeting shall be held with USAID decentralization team, the Democratic and Decentralized Governance Office, Program Office and the Mission Director's Office within which a draft evaluation report shall be presented. The report shall include the following sections:
 - Purpose and objectives of the evaluation;
 - Methodology;
 - Evidence/Findings;
 - Findings specific to Aceh and West Papua;
 - Briefly stated conclusion drawn from the findings;
 - Recommendations based on the assessment's findings and conclusions, categorized as impacts and lessons learned, presented with sufficient detail for involved parties to take action.

USAID will provide comments on the draft assessment report within 5 (five) days following submission of the written draft.

4. A final report that incorporates and adequately addresses all mission comments is due within 10 days of receiving USAID comments. The final report is subject to approval by USAID and should clearly address each of the research questions and the supporting findings and conclusions.

The Final Evaluation Report shall also include, but is not limited to, the following Evaluation Report Appendices:

- A copy of the evaluation scope of work;
- Team composition and study methods (1 page maximum);
- A list of documents reviewed, and of individuals and agencies consulted; and
- More detailed discussions of methodological or technical issues as appropriate.

The Final Report should be accompanied by an electronic power-point presentation that covers all of the major points of the evaluation report. This file will be used by USAID staff for further dissemination of the findings.

The Team Leader shall be responsible for providing the final deliverable to USAID/Indonesia in electronic format (in Microsoft Word, Excel, Power Point, maps in PDF) and an unbound reproducible hard copy.

C.9.SPECIAL PROVISION

Special Task Order Conditions: The following requirements will be incorporated into any task order issued under this request for proposals:

Language Requirements

Key personnel and all team members are expected to have English language speaking and reading abilities. Fluency in Bahasa Indonesia is also required for at least half of the team members.

END OF SECTION C

SECTION F – DELIVERIES OR PERFORMANCE

F.1 PERIOD OF PERFORMANCE

The effective date of this task order is set forth in Block 7 and the Estimated Completion Date is set forth in Block 8 of the Task Order Cover Page.

Subject to the Ceiling Price of this Task Order, the Task Order CTO may extend the estimated completion date, provided that the extension does not cause the elapsed time for completion of the work, including the furnishing of all deliverables, to extend beyond 60 calendar days from the original estimated completion date. Prior to the original estimated completion date, the contractor shall provide a copy of the Task Order CTO's written approval for any extension of the term of this task order to the Contracting Officer; in addition, the contractor shall attach a copy of the Task Order CTO's approval to the final voucher submitted for payment.

It is the contractor's responsibility to ensure that the Task Order CTO-approved adjustments to the original estimated completion date do not result in costs incurred that exceed the ceiling price of this task order. Under no circumstances shall such adjustments authorize the contractor to be paid any sum in excess of the task order amount.

Adjustments that will cause the elapsed time for completion of the work to exceed the original estimated completion date by more than 60 calendar days must be approved in advance by the Task Order Contracting Officer (TOCO).

F.2 DELIVERABLES

Deliverables	Description	Delivery Date
1. Evaluation design plan, Work Plan	An evaluation design plan, Work Plan and schedule discussed with and approved by the USAID/DDG	To be presented within ten days after the task order has been awarded.
2. Debriefing session	A debriefing session of the evaluation findings, to be presented orally to USAID	Upon return from all field visits;
3. Exit debriefing meeting	An exit debriefing meeting shall be held with the DDG Team and the Mission Director's Office within which a draft assessment report shall be presented.	Prior to the departure of the international team members
4. Final report	A final report that incorporates and adequately addresses all mission comments. The final report is subject to approval by USAID and should clearly address each of the research questions and the supporting findings and conclusions	Due within 10 days of receiving USAID comments

See **Section C.** for full information and definitive listing. All of the evaluation findings, conclusions, and recommendations shall be documented in the Final Report.